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No. 1589

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PERSPECTIVES ON EUROPEAN SECURITY, U.S. DEFENSE RELATIONSHIP

Paris LE MONDE in French 26 Apr 80 p 14

[Article by Socialist Party Steering Committee member Robert Pontillon: "For a New Concept of Security"]

[Text] The accelerated destabilization of the world that we have been experiencing for a decade is not defined solely by the upsetting of the old equilibriums in terms of balance of forces or access to sources of supply; it has also proven to be the source of new forms of international tension. Thus it has added to the temptations to direct intervention by the superpowers in the internal affairs of states.

For the superpowers, this has meant both taking precautions against the contagious effects of the general movement toward emancipation of peoples and also providing themselves with the points of support needed to check the adversary's thrust.

The measurable effects of the present crisis lie in the increased temptation to violence as a means of political action--a temptation that generates an unbridled armaments race that today absorbs $450 billion per year (20 times the amount devoted by all states to development aid)--and finally, in the upsetting of the equilibriums painstakingly established by international negotiation.

The SALT agreements still are not ratified; the MBFR [Mutual Balanced Forces Reduction] talks are at a standstill, and the outlooks for disarmament have receded into the distant future.

The dynamics of upping the bidding are winning out over the dynamics of cooperation.

In this general context, the invasion of Afghanistan does not appear as a passing regional crisis but rather as the crystallization, on a geographic point, of a global crisis of detente.

Hegemonic Power

In this new international game of go, the only political will that is clearly manifested is that of the superpowers to maintain their hegemonic power

at any cost. For Moscow, as for Washington, Europe is conceived as a regional entity, a sort of outer American province, devoted by definition to dependence, according to one side, and according to the other, to the status of a "limited liability" continent. The approach is a symmetrical one: the concept of regional responsibilities dear to Mr Kissinger has its counterpart in the desire, constantly pursued by the Kremlin, for strategic neutralization of Europe.

Hence the Soviet refusal to negotiate on the Euromissiles appears clearly as the means for favoring the total reinsertion of Europe into the American military-strategic system. This is the new logic of the blocs, whose approach is symmetrical.

Each side has to rally its camp. The powers are calling for a rally under their own flags. The quarrel over the Olympic Games, with its preposterous aspect, is the most recent manifestation of this.

The Socialists, who have never accepted the ineluctability of war or the logic of the blocs, must today bring all their forces to bear to make a different voice heard.

That of peace, which does not mean compliance with aggression.

That of international cooperation and of detente, which does not mean submission.

In Vienna last February, the conference of leaders of the Socialist International has already begun the movement. It is up to us today, because it is in conformity with the tradition of French socialism, from Jaures to Blum, to nourish its inspiration with concrete content.

It is obvious that Europe still cannot ensure its own security by itself and hope to preserve its independence by its own forces alone. But alliance is not the same as alinement, and our interests do not necessarily coincide in all circumstances with those of the United States.

The reciprocal sanctuarization consecrated by the SALT agreements deprives Europe of American nuclear protection and practically abandons it to its own defensive means alone. We must draw the consequences from this and seek the means for greater independence as regards our security.

Since the vulnerability of Europe--which is dependent in terms of energy and geography and is an easy target for any outside attack--can be reduced only by the pooling of its military and technical means. This presupposes the forceful assertion of an autonomous defense policy, avoiding both the sanctuarization of national territory and reintegration into NATO, but implying a real effort to modernize the strategic and tactical nuclear forces, at the same time as updating of our conventional means. It also presupposes a will to improve European cooperation in joint production of certain weapons or weapons systems. If the defense of Europe is by definition autonomous, it

is not independent of its environment. The question therefore arises of what the relationships of this autonomy should be vis-a-vis our traditional alliances.

The Socialist Party, rejecting both a France that is neutralized because it is too vulnerable and an Atlantic community of insufficient solidarity, must have the courage to say that apart from disarmament, which must be constantly insisted upon, the security of France, since it retains power of decision over the use of its own nuclear armament, lies in maintenance of the present alliances and strengthening of the European bases of our security.

To seek solely the "sanctuarization" of our territory would be to neglect, in a puerile manner, the surrounding European equilibrium and the risks of destabilization in regions to which France is linked by its commitments or its interests.

To seek security in a European nuclear defense system would be an uncertain approach and would risk provoking a violent Soviet reaction vis-a-vis the FRG.

To join NATO again would be to remove our autonomy of decision in a period in which it is more than necessary to protect it.

It is in this context that our relations with the Soviet Union must be placed. These relations are to be considered on two levels.

That of collective security, first of all, in which we must show firmness and flexibility:

--firmness, without concession, in condemnation of aggression, for this is the condition for effective resumption of the interrupted dialog;

--flexibility, in order to seize all opportunities for negotiation even if "normalization" of the situation in Afghanistan tends to demonstrate that the USSR is ready for negotiation only on the basis of a position of force. The preparation for the Madrid conference alone will make it possible to test the reality and depth of true Soviet desire to resume the ways of international cooperation.

Secondly, the level that is up to us--the development in Europe of a socialist model that is different from the Soviet Union and the example of which could have contagious effects on both sides of the Oder.

But because security is not all there is to peace, and because the strategic tensions resonate today with the economic and monetary tensions, the Socialists owe it to themselves to propose a new concept of security founded more on the new political and economic equilibriums than on military power.

The Stakes of the Future

It is doubtlessly here that the fortunes of Europe and of disarmament come together once again.

Europe, because it is only on the basis of a different international approach that it will be able to progress.

It has incomparable assets: inventive practical experience, political experience nourished and founded on diversity, and a still large capacity for spreading its influence.

The stakes of the future, which are essentially those of our relations with the Third World and of our capacity to build a new type of society, are not stated solely in terms of international policy; they also imply an overall concept of society of which Eurosocialism is the bearer today.

Disarmament, because nowhere is the necessity of it felt so strongly as it is in Europe.

Europe, land of confrontations, sees itself drawn against itself in a paradoxical situation: the increasingly powerful weapons constitute a stronger and stronger impediment to their military use, while the political and social consequences of an incessant armaments race sap the bases of detente at the same time.

No matter what the constraints and uncertainties of the present may be, there are initiatives to be taken in this area: the Finnish plan of 1979, Gierek's proposals, those for a nuclear moratorium recently made by Chancellor Schmidt, should be explored further.

It is the historical responsibility of Eurosocialism to keep up the hope of this--without excessive illusion, without compromise of the principles of collective security, but also without fail.

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POLLS SHOW CONSERVATIVE SWING CONTINUES IN NORDIC COUNTRIES

Stockholm SVENSKA DAGBLADET in Swedish 13 Apr 80 p 2

[Article by Axel Waldemarson: "A Nordic Pattern"]

[Text] A markedly conservative breeze is blowing across the Nordic countries. The latest manifestation is a Danish Gallup poll, in which the Conservative Party rose 3 percent and regained its position as the nation's second largest party.

Conservatives in Sweden, Norway and Denmark are the strongest political force next to the Social Democrats. The conservative Independence Party on Iceland is already the largest party.

A trend has developed over the last couple of years which seems to follow a pattern: Conservative parties first gain strength in big-city areas, later in the so-called growth areas (developing regions) and last in sparsely populated districts.

Even in Norway the blue wave has washed in across the northern sections of the country.

Moreover, the Liberal Party has a chance to observe the development in Norway, which first devastated the Liberal Left-Wing and later reduced the support for the socially liberal Liberal Party by a certain percentage.

The 70's produced an interesting shift in Nordic politics. Even though the Center parties remain strong, Social Democrats and Conservatives constitute the weightiest political forces.

In the latest issue of NORDISK KONTAKT, Claes Wiklund showed the distribution of Nordic Council seats in the following manner according to party strength (in mandates and percentage):

Social Democrats	29	37.2
Conservatives	18	23.1
Center Party Members	11	14.1

Liberals	5	6.4
Communists/Liberal Socialists	5	6.4
Christian parties	5	6.4
Others	5	6.4

Liberals do not hold any of the 24 positions of trust within the various Council organs. This is a marked change compared to the situation under the first decades of the council, when Bertil Ohlin was one of Scandinavia's leading political figures. There have been instances when the Conservatives in Sweden hovered near the 10-percent limit. In Denmark--where the Conservative Party is now 16 percent--it has been down to only a handful of a percentage.

Normally, however, the Conservative Party has been what we call a 20-percent party. Olof Palme has repeatedly referred to it as "the deceased veteran of many years" and Ernest Fast, a friend of the party, used to think that any Conservative party that could not maintain about a 20-percent support was mismanaged.

A 30-percent limit is primarily psychological, but therefore no less important. The Social Democratic attitude is changing toward the stronger Conservative Party. They can no longer attack the Conservatives with the old standard arguments or invectives. Labor Party Chairman Reiulf Steen was finally forced to publicly explain "that there are many good people among the Conservatives too!"

As far as the Conservative parties are concerned, it is important for them to demonstrate that their strength lies in broad popular support. The Conservatives have obvious advantages in that respect. There is no Liberal Party to compete with. Along with the Labor Party, the Conservative Party is the predominant party of ideas and these two parties are becoming equal in strength.

Next--if there is no new election in Denmark--the Conservative Party in Finland will face the voters in local elections this fall. The party has projected, but perhaps not actually secured, the goal of overtaking the Social Democrats and becoming the country's largest party--they differ by only one or two percentage points.

Streamlined

The Conservatives' political message in the Nordic countries is considerably more streamlined than before.

The skilled-labor situation is one of the reasons for the advances in big-city areas. Here it will also be easier to pit the new individualism against the much stronger collective forces.

After contacting or confronting the strong collective forces, citizens now demand a sheltered area in society where these forces cannot reach and where individual self-actualization can give satisfaction.

Ownership in this environment provides freedom and opportunities--be it ownership of a home, a leisure home, a car or a boat.

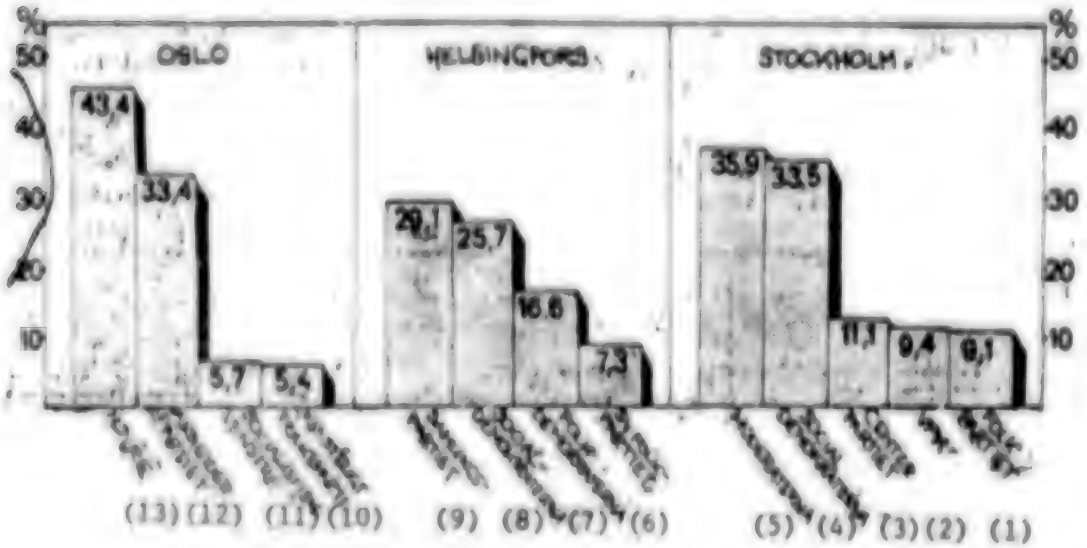
The fact that the Conservative parties have become the political home for ever larger groups of public employees is also of professional importance. Of course, the Public Employees Union, TCO, in Sweden must consider all its members and it is faced with an entirely new situation when roughly 30 percent of its members sympathize with the Conservative Party.

Credibility

While the Conservatives have been advancing, the Liberal parties in Scandinavia have been hit by a serious crisis. In the 1960's the radical Liberals in Denmark and the Liberals in Norway experienced a renaissance as they appeared to be allies in the attempt to break the Social Democratic monopoly of power. Whenever the nonsocialists' credibility comes into question, public response soars.

The Young Liberals in Norway--comparable to Liberal Party Youth (fpu) in Sweden--turned out to challenge voters not to vote for the nonsocialist government, with the exception of the Labor Party.

What is the cost in terms of credibility when Young Liberals through the mass media complain about the yoke implied by a coalition government with the Conservatives?



(Figures for Stockhom are a composite of this year's Sifo polls--taken in municipalities and 6 miles beyond--the others are election results.)
[key on following page]

Key:

1. Liberal Party
2. Left-Wing Communist Party
3. Center Party
4. Social Democratic Party
5. Conservative Party
6. Swedish People's Party
7. Finnish People's Democratic League
8. Finnish Social Democratic Party
9. National Coalition Party
10. Christian People's Party
11. Socialist Left Party
12. Labor Party
13. Conservative Party

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CLAES DISCUSSES POSSIBILITY OF TRIPARTITE CABINET

Brussels KNACK in Dutch 23 Apr 80 pp 26-28

[Interview with Willy Claes, leader of the SP and currently "informateur" in the new government formation, by Johan Struye: "Tripartite Cabinet: Only the Alternative Is Worse"; place and date of interview not given]

[Text] Nobody knows how many skeletons the Flemish liberals have hidden in the closet, because without their recent Walloon convert Jean Gol there would not even have been any beginning this week of a pre-negotiation toward a tripartite government. This does not alter the fact that by the time you read this, Willy De Clercq may once again have stormed out of the Lambermont home of the "formateur," and be waving a vote getting pamphlet in the newspapers. A great deal can be said about CVP [Social Christian Party] Minister of Finance Gaston Geens, but not that demagoguery can get you past the barrier of his failing national budget.

Thinking about the currency, the rates of interest and anything else you might care to mention, it is obvious that nobody in the country wants elections. It may well be the only reason why Wilfried Martens still wants to try the ultimate, in order not to have left any stone unturned. It looks as if Flemish socialist Willy Claes has faultlessly smoothed the way for success. All in all, the country has not been governed since Christmas, as a result of the CVP congress in mid-December and since the administration broke the doctors' strike. Consequently, the representatives should abstain from making vacation plans for this summer. If this were to succeed, then they would be called back in July to vote the budget anyhow. And if it does not succeed, then they would do well to be here when the portfolios are distributed in August.

[Question] During the last 3 years, the CVP has primarily trained us. They vote one way in committee, but another way in the plenary session, and everybody should simply put up with it. The French speaking parties only want

to sign a government agreement which would include the essential elements of a definitive regionalization in the short term. But who can guarantee this to them?

[Willy Claes] As "informateur" I have been able to determine from my interesting talks with Leo Tindemans, that the CVP realizes that it cannot go on as it has. It now declares its willingness to debate fully a definitive devolution prior to the beginning of a new government. This seems a rather fundamental change of course when compared to a few weeks ago when it wanted to reserve the whole debate about what Belgium should look like in the future to parliament. This picture of the future must now proceed from the work of the government negotiators, who commit themselves to this. Willy De Clercq from the PVV [Party of Liberty and Progress] was not very happy about this, but Leo Tindemans fully agreed that the party chairmen should sign this document together with the "formateur."

[Question] The CVP forced an opening toward the liberals at any cost. This price was not inconsiderable; they decapitated their own Prime Minister Martens with it. Should they now receive this opening to the right without charge? Why doesn't the remainder of the political world let the CVP run the gauntlet of an election round, in which they would inevitably have to surrender a number of seats to the liberals, to anti-fiscal and green lists?

[Claes] But would not the ultimate result of elections be a further frittering away of the political forces? This would only make things more difficult later on. Would this be good for the democratic system? To the extent that we multiply the elections, the negative attitude of the citizen toward politics will grow. Such an estrangement would only bring us closer to the probability of solutions and formulas which would not presently fit the scope of our democratic institutions.

[Question] A Close-De Meyer administration or the like, with referendums?

[Claes] I do not want to put any names on it. Nor am I overestimating the means of certain milieus, but the rapids of political events have already shifted the outcome from a theoretical to a concrete plane. The fear that a possible government crisis might produce a solution outside our institutions, is more important to me than the tactical desire to watch an opponent lose his feathers. Because, let us imagine that we negotiate and fail, and head for new elections. There would be a slight shift of seats, but never much. The French speakers stick to their position that they will not join any government without definitive regionalization. Last week, President Jean Gol of the PRL [Party of Liberty and Walloon Reform] made it perfectly clear to me that he excluded his joining a Christian Social-Liberal coalition /without/ [printed in italics] this condition. Let us then look further into the future; assume that we fail again. It is even highly probable that we would fail because every future election campaign in Wallonia and Brussels would be sharply defined in a community context. What then, even if the liberals win in Wallonia and even if, together with the PSC [Christian Social Party], they obtained a majority in the French speaking cultural council?

I refer again to Gol who made it clear that he would /not/ [printed in italics] walk into such a trap, that he will /not/ [printed in italics] again allow himself to lose solidarity with the other French speakers. Because what is of most interest to him is, of course, the fact that he can now guarantee his place in the Belgium and Wallonia of the future, by maintaining solidarity. Indeed, he once again participates in a dialogue with Cools and with Vanden Boeynants; the PS [Belgian Socialist Party - Walloon] had to overcome its aversion in order to recognize the liberal factor again. It goes without saying that Jean Gol is more interested in a place in the sun in the definitive regional structures of the future, than in a short term por folio in an ever shaky national government. What then, keeping these elements in mind? If there is no chance for a tripartite government, nor after the elections for a two party government, then it will already be October. The leaves are falling, but there would not yet be a budget for 1980, not to mention 1981. Social security in free fall -- and, you name it. Does it look improbable then that a few so-called "courageous" politicians are tempted to form a government over the heads of the parties? I naturally do not expect them to have much of a chance, because I do not see those /courageous/ [printed in italics] politicians simply marching out, threatening everything that we have built up since 1830. But yet, let us take the next step. If it is not politicians, then the so-called technicians will have to take care of the matter. Such a technician would not even have to have a diabolical nature in order to appear before parliament with the reproach that the parties have tried everything, from the classic tripartite government to the two party government, with or without the linguistic parties, with the only result that they have not produced any fundamental solutions, but have only with every election generated a growing number of blank votes. If I have understood well what is going on in public opinion today, then I can see such a technician really appearing before parliament with the demand that he be granted confidence and plenary powers, under penalty of an arbitrary dissolution of parliament.

[Question] Are the general union type party presidents and former "informateur" now also motivated by fear of such an alternative?

[Claes] If this consideration did not play a role today, our socialist side would have been less willing to assume the risk of a tripartite government. Because any tripartite government represents a loss of credibility for us with regard to our left wing, with the fear of compromises which would never sit well electorally and strategically speaking.

[Question] We have now experienced the unique situation in the Belgian party system whereby a handful of dissident CVP senators overthrew their own prime minister. Since 1978, the CVP has given the impression that it consciously wants to provoke Wallonia. Anything, no matter what, is signed and then turned down again. Could this mean that they will keep up this game until Andre Cools is toppled as French speaking majority leader, until Wallonia becomes truly restless and has to be pacified by colonels and state policemen, to Flemish applause?

[Claes] As "informateur" I was able to gauge the determination on the Flemish side not to let this country go completely down the drain. When President Henri Mordant, of the RW [Walloon Rally], during a meeting of the French speaking parties, presented the hypothesis that it is never possible for Wallonia to obtain satisfaction in what he called / the existing legal framework/ [printed in italics], he was also deserted on the French speaking side by the PSC [Christian Social Party] and the PRL. I know for a fact that a majority of the Walloon socialists also want to remain in this framework at any cost. But the danger is real, which to me says that the CVP wanted to make a 90 degree turn. But if you were to ask me now whether this also means that the CVP can formally guarantee the future behavior of its groups, then my answer would have to be negative, alas. It apparently cannot do that. Still, I did find Leo Tindemans to be a determined party president. If we could get by the first round this week, then I believe that the party leadership of the CVP will make every effort to involve closely its parliamentary parties from the beginning in the agreements which will be made. I do not believe that we can ask the CVP, so to speak, whether they can guarantee the attitude of Jan De Meyer or of Jan Verroken, but meanwhile the party leaders could forcefully hold down the risk of provocation.

[Question] In a tripartite context, dissidents would of course be mathematically drowned.

[Claes] But there is another risk that in a large majority, larger opposition wings could be formed within the majority parties.

[Question] That is how we ended up with Edmond Leburton.

[Claes] Of course, the "informateur" talks with anyone he wants to, but I had to hurry up. Therefore, unlike my task of last year, I have limited myself strictly to the presidents, even though I am not concealing the fact that I had a few informal contacts with the unions. They also had problems with the idea of a classic tripartite government.

[Question] Aren't the unions going to go their own way in case of a tripartite government?

[Claes] I rather feel that the union side is very much afraid of the repercussions of a structural political crisis on its own structure. A process of disintegration within the political world would inevitably produce similar consequences for the unions. The interprofessional representatives from the union side are well aware of this. Consequently, I rather consider the recent statement from Secretary General Georges Debunne of the ABUV [Belgian General Federation of Labor] as an agreement with our current attempts.

Risks

[Question] So now we have gotten to Georges Debunne and to the loss of power which a disintegration of the political world would mean to him.

[Claes] A great deal will depend not only on the program of a future government, but also on the manner in which the administration wants to handle the dialogue. During my exploratory talks, I did not find any desire among the liberals to provoke the unions to strong action. From an electoral point of view, this would be equally bad for them.

[Question] The right wing believes that it has a solution to the crisis, but we know at what price. Mrs Thatcher, Raymond Barre, and even Prime Minister Van Agt have made this clear to their exasperated populations. Nobody doubts that the repercussions of all this social exhaustion, which does not even guarantee any economic progress, will be felt twice as hard, but for the time being it looks as if the British, French and Dutch union leaders, who are rather strongly set on a dialogue, are reacting in a somewhat disarming manner to their aggressive reactionary governments. Does it not look as if some people also want to experiment with our future in the same way in Belgium?

[Claes] The Belgian working class does not have any less power than any other, but I do indeed take into account a feeling of depression in public opinion.

[Question] By forcing a solution which in its first phase points toward a classic tripartite government, are Willy Claes, Wilfried Martens and the king then actually opting for a certain parliamentary democratic model?

[Claes] This is of primary importance to me, and that argument should be eminently applicable to our leftist friends within the party who are now loudly wondering about the benefit of their Flemish socialist presence in the next administration. This is not intellectual blackmail on my part; the risk that a political situation could develop outside the normal constitutional context is real. A second consideration is that in a period of serious crisis it is inevitably obvious that some circles will grab at ultra-conservative recipes, as was the case in the neighboring countries. Now, I still believe that the main gains of the working class are better defended from inside the government rather than from the opposition. I do not believe that opposition tactics are the most rewarding in a crisis period -- not even with regard to public opinion, which unconsciously feels the threat of the times and feels inclined to hold on to what it has, rather than to get worked up about new ideas. Let us then take the risks of the times from within the government, and there keep watch over what has been accomplished. Thirdly, there is the risk that any future government could thoroughly alter the appearance of the country. I would consider it a sizeable blunder, as a party, not to be involved in it. It is at moments like that, that key positions are captured for a whole generation, or /lost/ [printed in italics]. In this context, I am not only thinking of important top functions in the administration, but also of the vital guarantees which we are to receive, in an initial period, in the regional and community executives. Individual packages such as colleague Calle's intercommunals, the reorganization of the BRT [Belgian Radio and Television -- Dutch Service] or the emergency powers which are being developed to deal with peace time tensions,

there are dozens of those a day, but I am also thinking about administrative matters such as the restructuring of the energy policy, the review of the national social security system, whether or not to continue the discussions among the social partners. Do not forget that we are the only country which still uses the automatic index adjustment.

[Question] How far have the PS and the SP [Belgian Socialist Party - Flemish] already been driven apart, if the one might join a cabinet without the other?

[Claes] What separates us is the linguistic-community issue. I keep hoping that /all/ [printed in italics] Belgian political families will grow back together, after the completion of political regionalization. It remains unthinkable to me that part of the Belgian socialists would presently set itself in opposition to another part of the Belgian socialists. This would have untold consequences for the union movement, in the sense of a substantial weakening, figured out in terms of days as it is now, now that the employers are playing with fire. This is why I do not play around with this hypothesis, not even with regard to somebody else's political party.

[Question] If Willy Claes were to be "formateur," would he consider a program for a tripartite government possible?

[Claes] Certainly, because I know the flexibility of the liberal family. When I think back on the mountain of difficulties which lay in Leburton's path, and I compare them with the heap that is lying there now, then the difficulties certainly do not appear to be any more insurmountable than they were then. Frans Grootjans' aggressive anti-unionism of a few years back has been weakened; the PRL even advocates a program which is much more appealing to us than what CEPIC [Political Center of Christian Independents and Cadres] proclaims. In terms of structural reforms, we would have some distance to go with those reformists. Willy De Clercq may not be happy with a central bank, but for Gol it is part of his program. The most difficult issue is, of course, taxation, but the liberals will have to clear that with the Christian democrats. When Willy De Clercq pleads for decumulation for spouses or for adjustment of real estate incomes, then he is partially on the socialist wave length. The question is how the CVP can admit on that issue that Geens should have looked somewhere else for his income. In view of Maitens' resignation, Leburton's tripartite government may well remain the best administration we have had for years in the social area. After all, work clothes, credit hours, the welfare-stability of substitute incomes, you name it -- they were all measures introduced by a government with the liberals.

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POSSIBLE SOLUTIONS TO REGIONALIZATION PROBLEM DETAILED

Brussels KNACK in Dutch 23 Apr 80 p 165

[Article by Marleen de Geest: "Will Belgium Be Divided in Two or Three Parts?"]

> [Text] It was not totally unexpected; the fall of the government led by Prime Minister Martens had been heralded many times before. Yet, the moment was particularly badly chosen for a political crisis. Nothing is going really well in our country, the economic crisis is striking hard, the number of unemployed is on the increase, the treasury is empty. In spite of a mountain of problems, our country is once again without a government.

For a long time now, a large number of Belgians have no longer been satisfied with our country as it was created in 1830. Numerous Flemish and Walloon people no longer want to live under the same roof. They each want a separate state with a separate government. Thus, the kingdom of Belgium should be divided in two regional states. Since the sixties, this has also made itself felt in the political life of our country. And political parties were created which included the reform of our country in their program. Gradually, it also became clear for the old, traditional parties: the people feel that our country should be split up. Thus far, everyone was in agreement: the Flanders and Wallonia must be given a separate government.

Then why was devolution not completed a long time ago? Because our capital, Brussels, became the stumbling block. There are both Dutch and French speakers living in Brussels. Both groups -- in politics they are called communities -- think that Brussels should remain their capital. The majority of the Flemish believe that Belgium should be divided in two and that a special arrangement should be devised for the capital of Brussels. This arrangement would have to ensure that both Dutch speakers and French speakers feel at home there. Neither of the two communities there would be allowed to dominate the other; both would be given equal rights there.

Some French speakers do not agree with this at all. They believe that Brussels, like the regional states of the Flanders and Wallonia, can stand

on its own two feet. In their opinion, Brussels should become the third separate region of Belgium. Consequently, devolution will not get anywhere as long as there is no answer to the question of whether Belgium should be divided in two or three parts.

No Confidence

Prime Minister Martens' administration tried to find a solution which would satisfy everyone. The reform of Belgium was to occur in three stages, and the individual regions would become independent only gradually. For now, the country's government has already been divided into three regional governments and individual ministers specifically concern themselves with the interests of the Flanders, Wallonia and Brussels. Consequently, there is a tendency to divide Belgium in three parts, whereby the Flemish in Brussels, however, would receive special guarantees.

This model, this devolution bill was introduced into parliament. First, the Senate had to approve the plan. This is where Prime Minister Martens stumbled. He was three votes short of approval of the devolution bill. Thus, the prime minister did not get the confidence vote of a sufficient number of senators. Therefore, he chose to offer the resignation of his government.

However, our country also has to contend with enormous economic problems. Prime Minister Martens' administration also produced a plan to solve these. Various budgets were to be trimmed and the state income was to go up through special taxes. All of this was detailed in an /austerity bill/ [printed in italics], also called the /program bill/ [printed in italics]. Before this law could be applied, it had to be approved by parliament. While the Senate studied the reform of the state, the House of Representatives discussed the program bill.

Economic Problems

Approval of the devolution bill and of the program bill had been tied together because both of them are important and because the division of the state would influence the manner in which economic problems will be tackled. Now that the government has fallen because of the devolution bill, discussion of the program bill has also been halted. However, the latter is urgently needed and therefore a new government must be found as soon as possible to treat the economic difficulties. As a matter of fact, the present caretaker administration can only take care of routine matters, and, further, only those things are done which are strictly necessary for the daily administration of the country. Minister of Economic Affairs Willy Claes was named /informateur/ [printed in italics]. He has to try to find out how the political crisis can be overcome. This is why he talks with party leaders and sounds out their willingness to form a new strong government which would be able to handle the country's problems. He checks whether the programs of the various parties, which might participate in the government, can be reconciled so that the new team will form a strong unit,

which would also receive the confidence of the members of parliament. If this does not work, then new elections will have to take place once again. The informateur must regularly report to the king, and keep him informed of the situation. When it appears that a government /can/ [printed in italics] be formed, then the king will appoint a /formateur/ [printed in italics], who will be charged with putting together a government team. The new government will then have to govern the country for a period of 4 years, but in Belgium the normal government term is seldom completed these days.

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SOCIALIST SUPPORT OF CHRISTIAN TRADE UNIONS GROWING

Brussels KNACK in Dutch 23 Apr 80 pp 51-55

[Interview with Tijl Declercq, CVP member of parliament, formerly with the ACV, by Ward Rosmans: "The New SP Is Good for Us"; date and place of interview not given]

[Text] It is a thorn in the side of every right-minded socialist that by far not all the workers vote for his party, but that a significant number of them give their support to the CVP [Social Christian Party] through the channel of the Christian labor movement. Those workers, organized within the Christian union, represent the only possible area for gain by the Socialist Party [SP]. Thus, a striving toward expansion of the influence of the SP would naturally be tuned to them, and this also applies to the young operation "Breakthrough."

The question then is how people within the Christian organizations react to such an appeal. This question could best be addressed to someone who is rather on the left of that movement; then the SP will know precisely what kind of help it may expect from those within the other pillar who are closest to them. Such a person is, for example, Tijl Declercq, CVP member of parliament of ACW [Christian Labor Movement] persuasion since 1971. Prior to being in parliament, Tijl Declercq worked in the national organization of the ACV [Confederation of Christian Trade Unions]. After many years of training work, he was taken into the national leadership. Tijl Declercq is 58 years old. During his union career, he earned a degree in political and social sciences. Declercq is someone who, within his party, is never afraid of taking personal and diverging positions. Consider in this context, among other things, his attitude toward the Palestinian question and the missile question, whereby he respectively took a pro-Arab position and opposed the installation of nuclear missiles in our country.

[Question] The Socialist Party is trying to break out of its traditional framework. This time it is not addressing itself to organizations, as was the case in Collard's time, but to individuals. Actually, this is aimed primarily at the audience of the Christian organizations. Do you think that this "Breakthrough" attempt has a serious chance of success?

[Tijl Declercq] I have questions about that. They are trying to loosen a number of people at the political level from their organizations, in order to transfer them to the new Socialist Party. I personally believe that the operation will have little success. It is clear that politically speaking there are a number of people in the twilight zone between the CVP and the SP, but there are serious questions as to what kind of real influence they will have in the Socialist Party. Is the SP willing to absorb these people? Would they be allowed to participate in decision making? Would they be given the space and the opportunity to make valuable contributions? It seems to me that all of this is uncertain.

Another question is, what is actually the meaning of such an operation? Is it intended to increase the political power of the labor movement as a whole? To this effect, continued cooperation among the organizations of the various pillars, the Christian and the socialist, with regard to a number of concrete projects would seem the most appropriate way to go. This way presents more possibilities for the expansion of strategy, the setting of tactics and the achievement of results.

[Question] It is known that cooperation between the two large unions is running rather smoothly, or at least that it exists. The question here, however, is political cooperation between the Christian labor movement and the Socialist Party. The experience of the last few years has shown that there is no question of organizational cooperation between these two.

[Declercq] Allow me to make it clear from the onset that cooperation between the Christian labor movement and the Socialist Party would necessarily run over the CVP. In this context, I have always held the position that if any governing is to take place, the Socialist Party should be the privileged partner of the CVP. It is via a common program, worked out in a government agreement, and via common agreements that an attempt will have to be made to transform political objectives into projects.

[Question] But aren't you precisely touching a sore spot in this case? That cooperation between the CVP and the SP has existed for a very long time, but it apparently does not allow for fundamental political changes. And then there is the question of whether the Christian labor movement has come sufficiently into its own within the CVP to get the party to follow a course which would make a real political agreement with the socialists possible.

[Declercq] I have noted that a process of radicalization is taking place among the Flemish socialists. They are letting go of the old Marxist slogans a little and are looking for a new face for socialism in the Flanders. This is important and could, in my opinion, also contribute to a more

pronounced presence of the labor movement in the CVP. As the pressure and power of attraction of the renewed SP increase, the possibility that the labor movement will be able to profile itself better in the CVP also grows. The Christian labor movement must determine a strategy and tactics to be more clearly present in the CVP, to make it felt that it is not only there to fill a mandate, but also to push the vision of the Christian labor movement through as strongly as possible and to make it visible in the CVP program.

[Question] It is your position then that the radicalization of the SP is important in order to put pressure on the CVP, but would it not be equally important then for the ACW to radicalize its program? Is the profile of the labor movement that well defined in it?

[Declercq] I do not have any doubts about that. When I look at the "Prosperity and Solidarity" program and the "An Economy in the Service of Man and Society" program, which will be presented to the ACV congress on 24, 25 and 26 April, then I see that the profile of the Christian labor movement is very clear at the economic level. What is missing, in my opinion, is a strategy and tactics to translate this program into concrete political projects and to push it through. I would say that there is probably not a single movement in which so much is politicized, in which so many problems are passed from top to bottom, as in ours. But neither is there a single movement in which the translation of this process into strategy and tactics occurs in such a confused and obscure manner. Hence, if pressure is being applied on the CVP from the outside by the renewal process within the Socialist Party, then the Christian labor movement in turn will perforce have to try to clarify its program within the CVP and at the same time also, within itself, determine the lines along which the realization of this program should be achieved.

[Question] Could you, keeping the economic profile of the SP in the back of your mind, give us the basic outline of the economic profile of the Christian labor movement?

[Declercq] I would not dare make a comment on the economic profile of the Socialist Party. I have the feeling that there is still a great deal of obscurity in this regard. Do they want a kind of Scandinavian model or are they thinking rather of Helmut Schmidt's Germany? Or are they looking in the direction of the French approach? As far as the Christian labor movement is concerned, it is a question -- as the title of the new ACV paper noted -- of an economy in the service of man and society. In this regard, the following objective has been put forward, among other things, and I quote: "The goal of the economy is to provide the people, under the best circumstances and thanks to the work of all, with the means necessary to their material and spiritual existence." This means a separation from the classic economic concept. The economy is no longer seen as the sum of problems for which orthodox solutions exist; the economy here is seen in its true dimension, that is to say as a power struggle. "A service economy whereby the vital needs of all must be ensured," wrote the ACV, "whereby

the forms of marginalization must be eliminated. An economy which promotes equality among the people; a democratic economy whereby one has a firm grip on the material, on the market economy, on the planning and on the organization of the business world; whereby democratization is pushed through, at the sectorial level as well as with regard to the monetary and financial system, with regard to the region and with regard to the enterprise; whereby the planning dimension of the economy is kept in mind, not only here in this country, not only at the European level but also for the coming new economic world order; whereby the economy of prosperity is accepted, with growth built in, but then a selective growth; whereby the economy of prosperity is seen in terms of everyone's right to work; whereby the welfare economy, with a better quality of existence, just wages and incomes, and cultural promotion are kept in mind; whereby, in the final analysis, the promotion of man through his work is kept in mind."

You see, this is a completely different picture from what is happening in the economy. Here, the economy is subservient to man, the economy is seen as function of a promotion project for man. This is, in my opinion, what is unique about the economic input of the Christian labor movement.

[Question] It appears to me that you are formulating a series of quasi moral principles, which you then try to extend into economic themes, but that as a whole this remains just as obscure as the profile of the socialists, which you find so blurry. A second comment is that you actually do not want to make too many fundamental changes in the existing economy. Whether this is possible is another question, but it seems to me that you do not even want to thoroughly tackle the most fundamental problems.

[Declercq] If there is a resemblance between the economic project of the socialist movement and that of the Christian labor movement, then it does indeed lie in the fact that both of us look at the economy from a moral angle. In other words: the economy in the service of a certain society. Moreover, neither one of us simply accepts the blind laws of the economy, but we try to bend them. If you now state that in fact we do not make any basic changes in the economy as it is, then I would dare say that our concept of the economy is an "economy of emancipation." One often talks of a theology of emancipation, and this is precisely what we would like: an economy in which man can grow, in which he is given maximal chances. And in this sense it is an economy in which the protection of the weaker is built in, and whereby the stronger -- who will always be there, in no matter what society -- are put under restraints.

Points of Contact

[Question] I have the feeling that the Christian labor movement, because of its Christian inspiration, is much stronger in developing a social policy. Even your economic program is actually a social program. Economically speaking, I find it particularly weak.

[Declercq] As a matter of fact, this is true: we want to make the economic subservient to social considerations. But this also means that we clearly want to interfere in the economy. And this, in turn then, has far reaching consequences both in terms of the economic structures and economic action. Go ahead and call our angle a social one, that does not bother me, but do also look at its consequences for the power play in the economy: these are extremely important. Of course, one might say that these structures should be radically and completely changed, but I am still waiting for concrete proof that this would result in greater social freedom. I believe that the social aspect is precisely the crowbar with which to get to work on the economy, through which the economy could be given a new face, another shape. Through which the economy could be put in the service of a large social, moral and cultural project.

[Question] It seems to me that the base line of these ideas dates back to the thoughts of the first sociologists of last century. They were deeply convinced traditionalists, averse to any sudden change.

[Declercq] The fact that you put me in the same sack as the traditionalists, or that you refer me to the last century, does not bother me. I would only note that there is no distinct alternative. I would only repeat that, in my opinion, you are making a mistake if you underestimate the revolutionary character of the ACV ideas. I repeat that, in our opinion, the economy should be radically put to the service of a social and human project. Economics is a behavioral science, it is the study of the behavior of those people who are present on the economic field. The revolutionary aspect of it is that we do not accept the premise that these laws may well be unchangeable. We believe that what is at stake here is an occurrence which should be subordinated to the goals of society. Society must determine what should be done with the economy.

[Question] But the actual result of your strategy is that the CVP may well achieve something at the social level and in the field of education and family policy, but that precisely at the economic level it is very weak in terms of being able to transform the existing situation.

[Declercq] I don't believe that, quite the contrary. I am willing to admit that at the present time we do not press our economic profile sufficiently through, that it is not clear enough. But I contend that a unique Christian democratic economic concept is possible. I hold that the CVP is a political instrument which is embedded in the wide stream of Christian democracy, in which the labor movement and other social organizations are also represented. I see the area of a unique Christian democratic econonic project very well. I am tempted to ask what your project really is, and what is so revolutionary about the socialist project. And where the points of difference really are. When I put the economic program of the Socialist Party and of the Christian Social Party next to each other, then I see a great many points of contact. Then I see that for the socialists the accent lays more on a number of structural reforms, which are very obscure even for them, while we are more interested in the quality of the personnel of these structures.

But I challenge anyone to show that the one concept is radically the opposite of the other, or that the one is more revolutionary than the other.

[Question] I recognize that you believe in your own economic profile of Christian democracy, but whether this can be achieved by an issue party like the CVP, is obviously another question.

[Declercq] It is my deepest conviction that this is indeed possible. I repeat that the socialist movement is the natural ally of the Christian labor movement. The privileged partner. Well now, if their political project and ours have points of contact, then it becomes a matter of extending these points of contact, of clarifying them, of defining them more sharply. We must make sure that we can also push them through politically. Sometimes I have the feeling that it is an advantage for us to be built into the CVP, because this compels us to formulate our goals and views more sharply. As a result, our profile gains clarity. I have noticed in the cultural council that the worst decrees are those which had no opposition. There is a need for a conflict of ideas in order to be able to profile oneself more sharply. This is why I feel that it was a good thing for the Christian labor movement to become embedded in the CVP. Moreover, I notice that in the Federal Republic of Germany they have also grabbed for the formula of a large people's party. Mechanisms of opposition, currents and tendencies are also built into the party. This is enormously helpful for political thought.

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HOUSE OF REPRESENTATIVES PRESIDENT APPEALS TO TURKISH CYPRIOTS

Nicosia CYPRUS MAIL in English 24 May 80 p 1

[Text]

THE ACTING PRESIDENT MR. ALECOS MICHAELIDES YESTERDAY MADE A STRONG APPEAL TO THE TURKISH CYPRIOTS TO JOIN IN THE COMMON STRUGGLE FOR THE PROSPERITY AND THE PROGRESS OF THE PEOPLE AS A WHOLE, WHEN HE OPENED THE FIFTH CYPRUS INTERNATIONAL STATE FAIR.

«The experience of the last six years must have proved to any one who had any doubts, that Cyprus is too small to support two seaparate economics. The viability of the solution depends to a considerable degree on the economic viability», Mr Michaelides said.

Fifteen foreign countries — along with some 200 Cypriot exhibitors — are taking part in this year's Fair, with Italy and Kuwait participating for the first time.

«We welcome the exhibitors from abroad with the certainty that their participation, apart from the fact that it promotes commercial exchanges, gives us an additional opportunity for the establishment of closer communications and the development of bonds of friendship between our peoples», Mr Michaelides said.

Moreover, he said, their presence is considered as a further indication of their support and solidarity for the struggle of the people for freedom and justice.

Cyprus may become an island of peace, a point of contact for civilisation and a trade bridge instead of a field of military operations, occupation and the contravention of human rights, he said.

Mr Michaelides spoke in high praise of all the pioneers and builders of the economic reconstructions of the country and underscored that Cyprus cannot be insulated from the international economic crisis and from the consequences of constant increases in oil prices.

«For the first time Cyprus also has to face the serious problem of inflation with its multiple consequences», he said.

Redirection

He expressed gratification for the successful redirection from import-substitution to export-orientation and appealed to employers and employees to remember the golden rule of moderation to overcome mutual problems.

«The economy of Cyprus has not lost its dynamism. It has able businessmen and a labour force of a high quality and in combination with measures of the government the difficulties can be successfully resolved», he said.

He hoped that a commonly accepted prices and incomes policy will be found that would reduce the negative consequences of inflation and contribute to stability, and pointed out that the most effective weapon for fighting overconsumption was to find ways for increasing savings and stimulation of investment activity.

Mr Michaelides went on to add that further development

of the economy depends also on the outcome of the efforts for the solution of the political problem, a solution safeguarding the unity of the state and the people and the inalienable rights of all the citizens.

Pointing out that the viability of the solution depends to a considerable degree on the economic viability, Mr Michaelides said:

«The assertion that 120,000 people can create a self-sufficient economy and achieve progress is utopian. Division, apart from the other destructive consequences, will lead to economic dependence and incorporation of the occupied area with Turkey, which would condemn the Turkish Cypriots to participating in the consequences of the enormous economic problem of Turkey».

Those who support or reinforce the Turkish plans for legalising the division are working for the destruction of Cyprus and are certainly condemning the Turkish Cypriots to live in permanent economic depressions, he said.

Calling for abolition of division, Mr Michaelides said «Trust is built on mutual respect and on conscientious devotion to the idea of coexistence. Doubts and suspicions are removed not through isolation but through closer contact and communications.

«The International State Fair offers itself to all the entrepreneurs of Cyprus, Greek and Turkish Cypriots. Let us pray that soon in this area the whole business community of Cyprus will participate in a common struggle for the prosperity and progress of the whole of our peoples», he concluded.

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MIKHAILIDIS: CYPRUS PROBLEM NOT RELIGIOUS

Nicosia CYPRUS MAIL in English 20 May 80 p 1

[Text] Acting President Mr Alecos Michaelides said yesterday that religion has nothing to do with the Cyprus problem, and added that Turkish Cypriot efforts to make an issue of it at Islamic conferences was only intended to serve partitionist aims.

Mr Michaelides made his remarks during his meeting with a group of foreign journalists, members of the International Journalists' Union, who have completed a two-day visit to the island at the invitation of the Cyprus Journalists Union.

His statement came as the Turkish leader Mr Denktash speading at the Islamabad conference of Islamic countries told them to "reassess the facts concerning Cyprus" and accused Greek Cypriots of trying to leave the Turkish Cypriots "without state, government or home with the aim of enosis" (union of Cyprus with Greece).

Mr Denktash repeated his claim that the Greek Cypriot side could not speak as the government of the whole of Cyprus, and invited Islamic countries not to vote for Greek Cypriot resolutions in the United Nations. "Greek Cypriots would never reach agreement as long as they are accepted as the legitimate government of Cyprus", he said.

He also referred to what is called the "economic embargo" and said the Greek Cypriots are using to to force Turkish Cypriots to make concessions.

Embargo

During his meeting with the foreign journalists yesterday Mr Michaelides refuted the charges about an "economic embargo" explaining that if there was such an embargo it is the deprivation of some 200,000 Greek Cypriots refugees of their property.

Turkish Cypriot leaders, Mr Michaelides said, are using the argument about economic embargo in order to divert attention from their failure to create a viable economy.

Most certainly, the Acting President said, there could be no separate viable economy for a population of only 116,000 people.

Cyprus is too small to support two separate economies, Mr Michaelides said.

The Acting President said the Greek Cypriot side was ready for talks based on the 19th May 1979 agreement--exactly a year old--but the Turkish Cypriots are raising unacceptable conditions.

The Greek Cypriot side has accepted a federal solution ensuring true independence and unity, and safeguards for the rights of all the citizens, in such a way that protection of the rights of the one community should not violate the rights of the other.

Retail Prices Jump

The retail price index during the month of April jumped by 4.60 points compared with the previous month of March.

An official announcement said that the index rose to 138.69 points in April as against 134.09 points in March, an increase of 4.60 points or 3.43 per cent.

The abrupt increase was officially attributed to the higher prices of petrol, cigarettes, fresh fruit and vegetables, daily products, mutton and lamb and repairs and maintenance of houses.

On the strength of the present figures the cost of living allowance next July--based on the average rise of six months--will be no less than 9 per cent through a higher rise of the index may mean a 12 per cent cost of living allowance.

CSO: 4920

MIKHAILIDIS PLEAS TO COMMONWEALTH FOR ACTION

Nicosia CYPRUS MAIL in English 21 May 80 p 1

[Text] "Cuprus has a future only if it is a common one for all the people of Cyprus", the Acting President of the Republic Mr. Alecos Michaelides said yesterday.

Mr Michaelides, who was addressing the opening session of the conference of Commonwealth parliamentarians from the British Isles and the Mediterranean Region appealed for action to see that resolutions by the Commonwealth heads of state about Cyprus are implemented.

The Commonwealth has a role to play in these troubled times on the world scene, in contributing to solutions of problems which threaten world peace, as well as in promoting adherence to values and principles", Mr Michaelides said and added:

"This is even truer when the problems are located in member countries of the Commonwealth".

The conference, which is hosted by the Cyprus Branch of the Commonwealth Parliamentary Association, is attended by the delegates from U.K., Malta, Gibraltar, Jersey, Guernsey, Isle of Man and Cyprus itself.

Lusaka

Mr Michaelides noted that Cyprus joined the Commonwealth shortly after independence and since that time participated actively in Commonwealth institutions and meetings of Commonwealth Heads of State.

He reminded the delegates that at the last heads of state meeting in Lusaka the final communique called for early implementation of UN resolutions for withdrawal of troops, return of refugees to their homes and accounting for the missing and said:

"The question of the non-implementation of resolutions must be of concern to us parliamentarians and we must demand from our governments specific action which would lead to compliance with resolutions."

Tourism is among the subjects on the agenda of the conference and the delegates have started their deliberations.

The full title of the theme is "The importance of tourism to the economy of the countries of the Region, its future development and whether government intervention is desirable".

The first session was chaired by the head of the Cyprus delegation Mr Stavros Ambizas.

The other members of the Cyprus delegation are Mr L. Karamanlis, Mr George Savvides and Mr Patrikios Pavlou.

CSO: 4920

INCREASE IN TOURIST ARRIVALS EXPECTED

Nicosia THE CYPRUS WEEKLY in English 23-29 May 80 p 8

[Text] Most of the tourists visiting Cyprus come from Europe, especially Britain, but the Arab world is gradually developing as a good tourist market for the island, says the latest report on Tourism and Migration issued by the Statistics Department.

Total tourist arrivals last year reached just over 297,000, a 37% increase over 1978.

Arrivals from European countries numbered 207,170 or nearly 70% of the total. The UK remained the main supplier country, with 106,287 or 35.8% of the total.

It was followed by Greece (33,649 or 11.3% of total tourists) and West Germany (19,838 or 6.7%).

Scandinavia

The report says a significant increase has been noted in the arrival of tourists from the Scandinavian countries who more than doubled compared with 1978 and accounted for 7% of the total. There were 11,629 from Sweden, and another 7,000 from Finland.

The report says: "What is of particular interest is the gradual development of a new tourist market, that from the Arab world.

"In 1973, the year before the invasion, tourists coming from neighboring Arab countries (excluding Lebanon) hardly exceeded the 3,000 level. In the last four years, arrivals from Arab countries have been steadily increasing, approaching the figure of 30,000."

Arab tourists

They came from such countries as Jordan, Kuwait, Saudi Arabia, Syria, Bahrain and Iraq. Visitors from Lebanon reached 26,295.

There were even 2,370 visitors from Egypt, despite the break in diplomatic relations, while arrivals from Israel reached 4,907.

According to the report, the average length of stay of holidaymakers in the island is 10.8 days. Fifty-five percent were males; and the majority belonged to the 15-44 age group.

Nearly 90% of them arrived by air. Summer remains the peak season for arrivals to the island, with the period April to June accounting for 26% of total arrivals and July-September accounting for nearly 40%.

Emigration

The report says that parallel to the increase of visitors to the island, there has also been an increase in the number of Cypriots travelling abroad. Last year they reached 117,473 (107,543 in 1978) an increase of 9.2%.

Most of them went to Greece (53.6%) and the UK (16.9%).

The report also states that "as a result of the fast economic recovery witnessed in the island," there has been a drop in the number of Cypriots emigrating abroad. There were only 1,087 last year compared with 1,835 in 1978. They settled mainly in the UK, Australia, S. Africa and the US.

CSO: 4920

WEEKEND DRIVE BAN LIFTED

Nicosia CYPRUS MAIL in English 23 May 80 p 1

[Text]

DESPITE strong speculations during the last few weeks that the Government would abolish the rotating weekend driving, the Council of Ministers yesterday decided to waive the ban only during the peak summer months of July and August.

The ban, which has come to be known as the «even-odds» regulation, was imposed last September as part of the energy saving campaign.

There have ever since been widespread criticism of the measure especially from the owners of night entertainment places who said that it affects their weekend business on which they mostly rely.

There have also been conflicting reports about the actual saving and it was contended that any saving must be attributed to higher petrol prices than to the restriction.

Yesterday's announcement gave no details as to why the measure is retained but obviously the lifting for the months of July and August is intended to allow Cypriots to enjoy the pleasure of an outing to the sea or the hills during the high summer.

The temporary lifting of the ban would naturally mean that the rush for small cars and for two-wheel means of transport will not be affected.

Other decisions by the Council of Ministers yesterday were the authorisation for increase of allowance to people in the enclaved regions in the North by 50 per cent, the acquisition of land for self-housing schemes at Yeri and Derynia and the approval of a bill for the control and operation of private Homes for Aged and Disabled Persons.

The Council of Ministers also authorised the Limassol municipality to contract a £100,000 loan for repairs to the town's road network.

Furthermore, it approved amendment regulations about pensions and gratuities to Nicosia municipal employees and amendment Electricity Authority regulations.

CSO: 4920

NEW SEWAGE SYSTEM TO OPEN SOON

Nicosia THE CYPRUS WEEKLY in English 16-22 May 80 p 27

[Text] A landmark in Nicosia's history will shortly be reached with the opening of Phase One of the city's sewage scheme, which will bring 30,000 residents an up-to-date system of sewage disposal.

The districts covered by Phase One stretch roughly from the Hilton Hotel to the Green Line and from Palouriotissa to the Pedieos River and include much of the old city as well as the clay area reaching up to Grivas Dighenis Avenue.

The General Hospital will be the first building to be connected, the houses in the area will be expected to connect within a period of two years.

Sewage Board

Consulting engineers MacLaren International of Toronto were commissioned by the Municipality in 1968, after a preliminary study by the World Health Organization, and they submitted a 300-page report. The following year they were appointed to design a system and to supervise its implementation. In January, 1971, it was decided to set up an independent body, the Sewage Board, to administer the system, and this Board has powers to pass any regulations necessary for its implementation.

The General Manager of the Board, Mr Yiallouros, said that the scheme, which is expected to have cost £3,000,000 by the end of this year, has been financed partially by the International Bank for Reconstruction and Development, with the balance being met by Government loans and the issue of Bonds. Construction work began in 1972, and by July 1974, 54 miles of sanitary sewers and 16 miles of house connections were laid.

Invasion

Scheduled to open in August 1974, the sewage scheme was within a month of completion at the time of the Turkish Invasion, when the Treatment Plant at Mia Milea was occupied by Turkish troops, as well as a large section of the route of the main trunk sewer. Work did not begin again until August 1979.

A sewage rate has now been levied for some years, but as the Mayor of Nicosia, Lellos Demetriades, points out, the disadvantages and inconveniences so far suffered by Nicosia residents are far outweighed by the benefits of the scheme. "The people of Nicosia have been paying a sewage rate for about eight years and receiving no benefits in return. The implementation of this scheme will end that situation. In addition, there will be large savings of the absolute waste of money spent on the emptying of tanks. If we were to start all over again, the expense would have been four-fold." And he adds: "We do not intend to increase the sewage rate once the scheme is in operation.

Public health

There is also an important public health factor involved. "A proper sewage disposal system is an absolute requirement for any modern city. You can see foul water running on the surface of the ground, and sometimes smell disagreeable substances in parts of Nicosia," Mr Demetriades said. One authority even suggests that Nicosia has been at some risk from water-borne epidemics like cholera and typhoid.

The method of operation of the scheme is beautifully simple. It works by gravity, which means that no pumping is required, and the sewage will be treated inside shallow lagoons, by means of air and sunshine, which together help to break down the material and make it safe and suitable for irrigation purposes. Thus it will be virtually self-operating and require the minimum of maintenance.

Masterminding the technical aspects of the project is Irishman Alastair Robertson of MacLaren International, who has been supervising it since its inception, and who returned to the island last August at the special request of the Mayor.

Problems

"We were very insistent that Mr Robertson should be the man to see the work to its conclusion," said the Mayor. "The situation required someone with considerable diplomatic as well as engineering skills."

However, construction work presented a number of technical problems, not all of which could have been foreseen, as Alastair Robertson says. He pointed out that the narrow streets of the old town were particularly difficult to work in, partly because of overhanging balconies which got in the way of the mechanical diggers. Not all the problems were above ground, however, uncovering of an old system of storm drains was a particular hazard. No-one had any records of them, so they tended to crop up in unexpected places, even in some cases running right underneath houses. Storm drains carry only unpolluted street water, and, as the sewage system has to be a completely sealed one there can be no question of allowing one type of system to enter or run alongside the other.

Agreement

MacLaren International also found it desirable to install a new water supply network in the Phase One districts of the Old City.

After the events of 1974 work came to an abrupt halt, and it was some years before attempts to bring about discussions could be successful. After long negotiation, and untiring efforts on the part of Mr Demetriades and his counterpart on the Turkish Cypriot side, agreement was reached on the continuation of the Nicosia Sewerage Project in August 1979. The United Nations Development Programme were instrumental in bringing about the talks.

"Had it not been for the U.N. and in particular the UNDP and its representative here in Cyprus, Mr Dalal, there would not have been any progress," Mr Demetriades said. Contracts were signed with a Greek Cypriot and a Turkish Cypriot contractor to carry out the construction work, which involved close contact with UNFICYP and all parties concerned.

Cooperation

Mr. Demetriades says that a high standard of cooperation was maintained throughout. "I am very happy with the cooperation with Mr Akinci, and I feel sure that he would say the same of us. We both had in mind the interests of all the people of the Nicosia area. "Politics becomes secondary to the importance of humanitarian and public health considerations."

Two technicians, a Greek Cypriot and a Turkish Cypriot, have undergone training in the United Kingdom in order to supervise the system once it becomes operational. The area served will be increased gradually, until the whole of Nicosia is covered, as the original concept on which the present work is based was designed to accommodate a growing demand. Phase 2 of the project is ready to be put into operation, and the EEC has indicated to the Cyprus Government its willingness to finance it. Discussions on this matter are still in progress.

CSO: 4920

BRIEFS

DIPLOMATIC STAFF STRENGTH--The Cyprus Embassies have no more than three diplomatic employees each and rely on meagre financial resources to carry out their duties, Mr George Pelaghias, Director-General of the Foreign Ministry, has said. He told a meeting in Nicosia that the Foreign Ministry of the Republic has a total of 62 diplomatic staff--40 of them serving abroad and 22 based in Nicosia. "Turkey's diplomatic machine is frightful. Just imagine that the Press Office of the Turkish Embassy n London--which is dealing mainly with Cyprus--has 32 employees, in addition to the 20 Embassy staff," Mr Pelaghias said. Mr Pelaghias went on: "We are fewer than 70 at the Foreign Ministry and have to maintain relations with 125 countries. We are doing our utmost, but it is obvious that our diplomatic services need to be strengthened, numerically and materially." He announced that eight new employees are being engaged while the new Budget provides for 10-15 new posts. [Text] [Nicosia THE CYPRUS WEEKLY in English 23-29 May 80 p 3]

EXPORTS TO LIBYA--Cyprus exports to Libya have gone up by more than 200% during the first quarter of this year, the Ministry of Commerce says. Their value during the first three months of 1980 reached approximately £4m. as against £1.2m. in the same period last year--an increase of 233%. Total Cyprus exports to Libya during the whole of 1979 amounted to £8m. Principal exports were clothing, cigarettes, water pumps, building materials, cosmetics, suitcases and batteries. The Ministry statement said: "Prospects for further development of Cyprus exports to Libya are very good. This is due to the good quality and competitive prices of the Cyprus products and the excellent relations between Cypriot businessmen and the Libyan state organizations which have now taken over all Libyan import trade." [Text] [Nicosia THE CYPRUS WEEKLY in English 23-29 May 80 p 8]

CSO: 4920

LAMBSDORFF REAFFIRMS SOLIDARITY WITH UNITED STATES

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 9 May 80 p 4

[Article by Minister for Economics Otto Graf Lambsdorff: "We Know Who Guarantees Our Freedom"]

[Text] Has the European--and the German--relationship with the United States been disturbed? Transitory irritations cannot be denied. But fortunately there are no echoes of anti-U.S. reactions in the FRG. We know exactly where our allies stand and what they can expect of us. On the other hand we too know what we can expect of our allies. Obviously, we did not show reticence in explaining the German position in discussing current worldwide crises. Observance of treaties is not synonymous with renunciation of one's own thinking.

But one of the fruits of keeping our own counsel is our awareness of who is guaranteeing our welfare and our political freedom. It is not just the Western European countries; it is Europe plus the United States. And on closer scrutiny, we can see that the United States is offering a slightly larger guarantee than we do ourselves.

The FRG has stated clearly, without being influenced by highly questionable NOVOSTI commentaries, that we are in favor of reducing conflicts in the post-Afghanistan period. But it is perfectly clear that in the discussion of the consequences of the Soviet incursion we are unequivocally and unmistakably on the side of the United States.

The appeals by several German authors to the Federal Government circumvent the issue. They do not betray political judgment. The Russians have invaded Afghanistan; not the Americans. The Iranians have taken diplomats hostage; not the Americans. With all the moral protestations, these facts should perhaps not totally be ignored.

Even if it wanted to do so, the Federal Government could assume the position of an uninvolved third party. We are just as much involved as all other countries belonging to one or the other alliance. Our involvement is even

greater and more basic since we are situated on the border of the Eastern power bloc and because we are a country which clings with all its being to Berlin, to the freedom and viability of that city's western sector. It is rather remarkable that especially in Berlin some people tend to disregard that fact. That is why we are obligated to pursue a policy which combines steadfastness with efforts to avoid a further escalation in international political events. A part of this steadfastness is a clear definition of the German position concerning participation in the Moscow Olympic Games. The Federal Government has taken this position.

We certainly do wish to continue normal economic relationships with the USSR. But we also mean to keep our promise to exert strict controls over the delivery of strategic materials to the USSR in concert with our Western partners, and to be more conscientious about this in the future. We are just as determined not to permit deliveries to the USSR by German enterprises of goods which American firms are now holding back.

Nobody could be overjoyed at the prospect of sanctions against Iran, of nonparticipation in the Olympic Games, of restrictions in trade with the USSR. All these are unpleasant matters. We do not like them. This is especially true for a trade-dependent and wide open country like the FRG. But it was not the fault of the West that these measures have become necessary. We have delayed our reactions a long time. And we are not restricting our reactions to economic and sports policy defensive actions, but are making intensive efforts to continue the East-West dialogue. We hope to find an understanding attitude in return, not only in economic matters, during the next meeting of the German-Soviet Economic Commission in Bonn at the end of May.

[Editorial Note] The opinions expressed by contributors to this column are independent of our editorial policies.

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CSO: 3103

COMMENTATOR ASSESSES RESULTS OF CDU CONGRESS

Frankfurt FRANKFURTER ALLGEMEINE in German 21 May 80 p 10

[Article by Karl Feldmeyer: "Solidarity Is a CDU Commandment--Strauss Can Count on Solid CDU Support"]

[Text] Berlin, 20 May--The party congress is over. Considering the circumstances, the CDU can be satisfied. The delegates did everything the situation demanded of them. They agreed on the election platform, they applauded the speakers, participated in the discussions or listened to them, and displayed as much confidence as was expected of them.

The party leadership did all the right things as well. Kohl and Geissler, Biedenkopf and Kiep, Dregger and Bluem made speeches. Their arguments were as much alike as were their expressions of optimism. The recurring themes ran as follows: as long as we show eagerness, unity and resolve in presenting our cause, we can win the election; we can make it with Strauss and his team.

The overall impression reflected by the party conference was a good one. But only those who are not familiar with the inner workings of the CDU could accept this show at face value. After all, the CSU participated in the proceedings; already on the first day, it was represented by two deputy chairmen, Dollinger and Zimmermann, and by its general secretary, Stoiber. Strauss, who failed to put in an appearance at the delegates' party conference celebration (a curious thing to do for one who wants to use this party in his quest for the chancellorship--or does he?), appeared on Tuesday and made his speech which had been planned to be the party conference's main event. Afterwards there was approval and appreciation, even during the internal critique session. Thus it was not difficult to maintain appearances until the end. This is something of an achievement which cannot be taken for granted. It might well have turned out differently.

This description is testimony to a reduction in the results expected of the party conference--expectations which are not in proportion with the goals the CDU had set for itself. Merely maintaining appearances just is not enough for a party which is trying to win an election. But are the CDU

and the coalition really serious about this? Certainly they want to gain an absolute majority on 5 October. But the other side of the coin is the internal evaluation of the chances of bringing this about. There is no doubt that within the Union hardly anyone currently thinks that an absolute majority can be attained in October.

Just as it happened in Berlin, this is a fact that can be disguised by a major effort, but it cannot be made to go away. You just cannot eliminate your own evaluation of facts and probabilities by making resolutions. There have long been doubts that Strauss is the man who can win an absolute majority. A number of delegates, representatives and members doubted this from the very beginning. Others, Strauss men, expected an election campaign on the part of the CSU chairman which would eclipse anything seen to date. This hope was based especially upon intellectual quality and power of persuasion. This expectation was further strengthened by international developments which appeared to confirm Strauss's previous warnings. But up until the day of the party conference, there was no confirmation of the assumption that Strauss would present the public not only with an evaluation of the situation, but also with a logical, understandable political concept designed to deal with the problems. Until that time, Strauss had failed to convince the public that he was the challenger who was forcing the government to retreat into a defensive position. Strauss's partisans experience increasing insecurity in expecting him to make serious efforts to win. This was already the case prior to the North Rhine-Westphalia elections. In view of increasing skepticism within the CDU, the Duesseldorf election results affected large portions of the party like a prediction of events which the opposition was to experience at the end of the Bundestag election day. Even though there is a pretense of the objective being the winning of an absolute majority, the internal extent of expectation is dictated by the nagging question of whether it might be possible merely to prevent the SPD from obtaining an absolute majority in the next Bundestag.

By virtue of the foregoing it is not at all obvious that Kohl and Geissler would speak about the possibility of an election victory on 5 October which would be feasible if all concerned engaged in a unified and energetic struggle and firmly supported the candidate for chancellor. Of further interest is the fact that the delegates accepted all this without contradiction and even applauded the speakers. This testified to a good bit of self denial and self control, not merely deception and play acting.

The CDU has good reason for exercising such self discipline. For one thing, the elections are too close for deriving any benefits from changing top candidates at this time. This would even be true if the "ideal" candidate were to turn up. There are other considerations which militate in favor of keeping Strauss. It is well known that Strauss did not become candidate for chancellor because the CDU wanted to have him in its majority. The decision is based on the realization that failure to accept Strauss would spell the end of the CDU-CSU coalition.

Acceptance of the Strauss candidacy was, for a majority among the CDU leadership, the price to be paid for maintaining unity. Many of them accepted the fact to begin with that this would increase the risk of yet another defeat for the Union, the third since 1969. From this viewpoint, one can perceive the real rationale behind Strauss's candidacy and especially the resolve on the part of the CDU leadership to squelch any hint of criticism among its own ranks.

The CDU is already making plans beyond 5 October. Certainly, it wants an election victory. But should this be impossible, it wishes to use the 1980 Bundestag election to secure unity for the Union for at least the foreseeable future and to get rid of the "Strauss problem" which is the perception of the CSU chairman by those who were against his candidacy from the beginning. In its own interest, the CDU must not provide the CSU chairman an excuse for throwing in the sponge prematurely, nor the excuse for having been stabbed in the back if Strauss fails to win the election.

Its own interest therefore dictates that the CDU act the way it managed to in the Berlin party conference: to indicate that until 5 October Strauss can count upon the energetic and solid support of the entire CDU for his election campaign. Franz Josef Strauss must be given his opportunity and the chance of making use of it. To guarantee this is law for the CDU. Should this bring victory, so much the better for the Union. But in case of a defeat, it must be clear to one and all who would bear the consequences: the candidate.

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PERSONNEL CHANGES SLATED FOR HIGH BUNDESWEHR POSITIONS

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 12 May 80 p 4

[Article : "Personnel Changes in Bundeswehr"]

[Text] Bonn, 11 May--On 1 October, a number of top Bundeswehr positions are due to change hands, including two of the three Corps and three divisions. Major General Glanz, the present commander of the 11th Armored Infantry Division, will become Commanding General of II Corps in Ulm replacing General von Ilsemann who, along with General Kleffel, the present commander of III Corps in Koblenz, will be retiring on 1 October. Kleffel will be succeeded by General Altenburg who now represents the FRG on the NATO Military Committee in Brussels and is considered an expert on military policy, alliance affairs and operational strategy. The 1st Mountain Division in Garmisch will be headed by General Hackenselliner, the current commander of the 10th Armored Division in Sigmaringen. General Lange, the head of the Bundeswehr's I & E School, will take over at Sigmaringen and will be succeeded in his present post by Colonel Clauss, the commanding officer of the 20th Armored Brigade. General Glanz's post as commander of the 11th Armored Infantry Division will go to General von Sandrart, the senior Bundeswehr officer representing the FRG at NATO in Brussels. He, in turn, will be succeeded by Navy Captain Kurt Fischer, for the past 3 years Defense Ministry spokesman and head of its press and information office. It is not yet known who will take over Fischer's important job. As of 1 October, when the commanding officers of the 1st Mountain Division and the 10th and 11th Armored Infantry Division will be replaced, there will have been six such major shifts during the course of this year. On 1 April, General Wachter took over as commander of the 4th Armored Infantry Division in Regensburg and General Comossa, up to then head of Military Counter Intelligence, assumed command of the 12th Armored Division in Wuerzburg. This post had opened up early when the incumbent, General Bastian, asked to be transferred. Bastian was named deputy commanding officer of the Cologne Military District replacing General Frickinger, who took over the 7th Armored Infantry Division in Unna. The job of heading the Bundeswehr Security Office and Military Counter Intelligence went to General Vollmer as of 1 April, succeeding General Comossa.

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COALITION CONTINUES PLANS TO CUT TAXES IN 1981

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 2 May 80 p 11

[Article by Reinhard Uhlmann: "Bonn Evolves Half-Child Concept--Coalition Holds on to Tax Plans"]

> [Text] First, they were for it; then they were against it--and now they are for it once more. These are the positions the SPD/FDP coalition has taken with respect to tax relief next year.

Even before the coalition sat down to debate the 1981 tax package last week Finance Minister Hans Matthoefer had issued the marching orders. In the first instance he took his cue from Goethe's "Hermann und Dorothea" saying "he who trembles in tremulous times adds to the general woe." In the second instance, the Minister resorted to somewhat more vulgar language; "There is no reason to get all hot and bothered," he said.

The members of the coalition took this to heart. They decided to go back to the tax relief measures originally approved on 19 December 1979 which call for a rebate to the taxpayers in 1981 and 1982 of a good DM 17 billion.

The tax package came up for debate again because FDP financial experts were beginning to wonder whether the package could really be financed in view of the strain on the federal budget caused by the world crises. Even Economics Minister Otto Graf Lambsdorff, who is in favor of tax relief next year for economic reasons, chose his words carefully just one day before Matthoefer's forthright statement. "The government," he said, "intends to hold on to the basic elements of the tax package despite the fact that it will be harder to finance because of the altered world situation and higher costs worldwide."

By making a "firm" promise that the annual debt over the next few years will not exceed the amounts programed for in the existing financial plans, Matthoefer succeeded in dispelling the FDP's doubts. After the coalition meeting, FDP tax expert Ingrid Matthaeus said she was pleased to detect a trend toward a "salutary constraint" to economize.

But just how such cuts are actually to be made remains a secret the SPD and FDP financial experts have so far failed to divulge. The fact is that the minutes of the latest meeting of the Financial Planning Council, composed of representatives of the federal government, the Laender and the communities, point out that the 1981 financial balance of these three budgets will amount to DM 47 billion as it does this year and that the "tax and family policy measures planned will have no financial impact."

Matthoefer, for his part, calls the projected tax relief measures "manageable," since the more than DM 17 billion not only apply to 1981 but will be spread out over several years. The federal government's share next year will amount to just DM 5.4 billion.

But these figures do not take the basic child exemption amounts into consideration. To finance an exemption of DM 1,600 per child, which would reduce taxes by DM 30 per month, would cost DM 5.4 billion of which the federal government would contribute only 42.5 percent, based on its wage and income tax revenue quota. The remaining 57.5 percent would be contributed by the Laender and the communities. That is the very reason why the finance minister came up with the plan. Understandably, the Laender want no part of this show of Bonn generosity.

In addition, a finance committee hearing held at the opposition's urging last week clearly brought out that the child exemption matter really has nothing to do with the Matthoefer's vaunted plans to simplify the tax structure. The fact is that a new tax category I A has been created. There are all sorts of references to "integrated" children, paid-support children and others. And as for divorced parents living apart, they must enter a half-child each on their wage tax form.

Rolf Boehme (SPD), the state secretary for taxation, has pointed the finger at the Federal Constitutional Court for creating these administrative monstrosities. It was Karlsruhe which upheld the principle of dividing the tax exemption for children of divorced parents living apart in half. Boehme also claims that the CDU/CSU demand to reinstitute tax exemptions for children would not provide equal tax relief for all but be tied to the bracket-by-bracket progression of the wage and income tax structure and would thus result in administrative complications of a similar nature.

But soon these quarrels will be forgotten because chances are that neither the "genuine" tax exemptions for children, nor the basic tax-exempt amounts will be approved by the Bundestag/Bundesrat conference committee. More likely, the proposal made by the finance ministers of Hamburg, Hesse and North Rhine-Westphalia simply to increase child allowances will be endorsed.

The Laender governed by SPD/FDP coalitions have let it be known that they will make their contribution to the huge amounts required. Thus far, the federal government has been paying out the child allowances all by itself. Whether the Laender governed by the CDU/CSU will also participate is anybody's guess.

One thing is certain: the politicians will have a very difficult time agreeing on the family policy provisions of the two rival tax packages submitted by the coalition and the opposition.

It should be easier to reach a compromise on the question of rate reform which is at the heart of the both sides' tax proposals. Despite all the commotion, the opposite camps are not too far apart and as far as the taxpayers are concerned the amounts in question are fairly insignificant anyway. The Finance Minister has posted the right maxim. "It would be quite unacceptable," he said, "to permit wage tax revenue to rise again in 1981."

With a touch of irony, Boehme points out that internal coalition relationships are reflected in the packaging of the SPD/FDP tax proposals which simply cannot be taken apart piece by piece. Otherwise, the whole structure would collapse. The Free Democrats, for example, have a particular preference for raising deductions on special expenses and increasing child allowances by DM 300 per child during the first six months after birth. The Social Democrats, for their part, favor equal reductions for all children and an improvement in the rent allowance provisions.

Wilhelm Noelling (SPD), the finance minister of Hamburg, who feels the tax package should be reduced to DM 10 billion, still occupies a somewhat isolated position. "Rising costs for oil, raw materials and imports coupled with increased expenses for security purposes," he says, "tend to withdraw funds from the economy, making further redistribution impossible." Noelling also believes that consolidation of budgets must continue to insure fiscal viability in the future.

The coming weeks will show whether Noelling will gain any supporters also willing to come out publicly in favor of postponing or cutting down on the proposed tax measures. The opposition has merely said it will not stand in the way of such a move, if the government decides to make it.

Speaking on behalf of the CDU/CSU, Gerhard Stoltenberg deplored the Chancellor's lack of leadership, accusing him of not having taken advantage of the readiness of many people to economize under the impact of the Afghanistan crisis. "He should have made it plain," Stoltenberg said, "that we must drop a substantial part of the new and expensive legislation in the interest of providing for our country's security and of being able to finance the proposed tax reductions."

The finance minister, for his part, continues to play the role of the taxpayer's friend. "I do not intend to budge from my position that the taxes of wage-earners must be lowered in 1981," he says. "If there are financial problems, they will be solved--but not at their expense."

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CORRESPONDENT PROFILES YOUNG PARTY LEADERS

Stockholm DAGENS NYHETER in Swedish 26, 28, 29, Apr 80

[Article by Kaa Eneborg]

[26 Apr 80, p 9]

[Text] Politics must be renewed! That call is not only being heard here at home, but even more so in neighboring Finland, which DAGENS NYHETER (DN) will report on in a few articles. Within the Center Party--President Kekkonen's own party--"child prodigy," Foreign Minister Paavo Vayrynen has challenged Johannes Virolainen in the struggle for party leadership. Virolainen has been the party leader for 16 years.

"We must have party unity. Not just for the sake of the party, but for the good of the entire nation!"

With that message Paavo Vayrynen--the 33-year old child of the Finnish Center Party and foreign minister--traveled for miles along desolate, snow-banked roads last weekend. Hours of hectic travel and arguing stubbornly in order to convince party officials in his own district--Western Lappland along Tornedal northward around the Arctic Circle--that not only the party, but the country as well needs him as the new Center Party leader in Finland.

With this upward movement, it is possible that he may become Finland's new president some day.

The center Party is President Urho Kekkonen's party and it resents all speculation that Social Democrat Mauno Koivisto may be named presidential candidate.

To what extent Paavo Vayrynen will be able to convince his own party friends in Tornedal is not clear. The more than 100 delegates from Kemi in the south to Enontekio in the north, who had gathered in the newly constructed junior college in "reddish green" Kolari, clearly disagreed as they gathered around cups of coffee. The municipality, which grew up around an iron mine, a cement factory and, to the environmentalists' displeasure, expanded across fertile cloudberry fields, is governed by a commission consisting of 13 Communists and 12 Center Party members, with two Social Democrats as scale masters.

"Home to the Milking"

At district headquarters in Kemi, the meeting was interpreted as a success for Vayrynen. Former Kemi lad Vayrynen recieved 54 votes, compared to 18 for Virolainen. However, some 50 persons, who should have voted, trudged out.

"Clearly Virolainen supporters," said some political experts.

"No, it was just farmers with cows who had to go home to do the milking," said district chairman Jaakko Santala, Kemi.

"No, it was a success inasmuch as they were willing to take a position at all," said Santala.

Other district meetings were held throughout the country that same Sunday and in several places, like Pelkosemiemi in Lappland, for instance, where Johannes Virolainen spoke, Center Party members refused to follow suit.

The chairmanship will be decided in June by a vote in Abo and Virolainen, who has led the party for 16 years, as well as his young challenger have shuttled between district meetings in order to gain support. The trips and the intrigues have been many and it continues to be a tough struggle.

Good Schoolboy in Brown

Not even Paavo Vayrynen can deny that although he stood there like a good schoolboy, facing a predominantly manly audience in the college auditorium, wearing a tie and a brown Sunday suit, saying that party disagreements are only surface deep. "Ideologically, all are in agreement. All the comments in the press about disagreement are only designed to create a split, which is not in the picture."

Paavo Vayrynen's role on the platform varied between "ordinary country urchin" and father of the country. Now he spoke quietly and monotonously about public policies, about domestic energy sources that could provide a great many new jobs--now with thunder and pathos about the party's need for a new leader.

"Before the party's ideology is firmly established--including a new emphasis on agriculture in the future, among other things. There has never been anything wrong with it, but the failure lies in the fact that the leadership has never been able to give an accurate and true picture of the party's profile."

"Change Is No Move to the Left"

Vayrynen did not mention Virolainen by name, but he did say that ever since the loss of votes in last year's election, the party had discussed the reasons for the defeat. And it became clear that a change in party leadership is necessary.

As the second choice Vayrynen endorsed Agricultural Minister Taisto Tahkamaa, who switched camp at the end of the race. He will be assistant party leader candidate, provided that Vayrynen is elected.

Both deny that the change in party leadership means a move to the left. "Our party has no left or right wing," assured Vayrynen, who is seen as capable of gaining the support of younger Center forces with strong environmental interests, while Virolainen supporters generally are more conservative and older farmers.

Add and Divide

Wherever you go in Finland there is wild speculation concerning the choice of a Center leader. People add and divide both candidates' advantages and disadvantages and the evaluations vary. Virolainen is old--66 years--and domineering, but very popular and an active farmer himself.

Paavo Vayrynen has been the Center movement's "child prodigy." Too young, according to many older farmers. Others think he has no profile. No one actually knows where he stands, but that could be because he is a minister and, as such, must be careful. He may have a lot of opinions, but is holding them back.

[28 Apr 80, p 7]

[Text] "Social Democrats should not be part of the government since we have a nonsocialist majority in Parliament," Finnish Social Democrat Erkki Tuomioja told DN correspondent Kaa Eneberg. The present government in Finland, led by Social Democrat Mauno Koivisto, is in a period of crisis.

"Leave the government and let us function as an opposition party instead!" This exhortation was made by Erkki Tuomioja to Finland's Social Democrats (s) and Prime Minister Mauno Koivisto (s). Tuomioja, 33, the party's own "boy Ruda" and a man of ideas, left Parliament last year and is now director of City Planning and Housing Development in Helsingfors.

Over the years Tuomioja made headlines in the Nordic press that caused prime ministers to gasp.

Olof Palme at one time was led to refer to Tuomioja's speeches as "occupational hazards," when he questioned Swedish neutrality on the basis of our industrial defense cooperation with the United States.

As a member of Parliament Tuomioja violated the Nordic Council's tacit agreement about not discussing security policy.

Inaudible Sigh of Relief

With reference to the ongoing tense security debate, many Nordic politicians surely heaved a sigh of relief when Tuomioja failed to get the mandate to participate in this year's council meeting in Reykjavik.

Erkki Tuomioja left the Finnish Parliament but still has opinions about things

For Tuomioja even has opinions about security policy as he stretches in his director's chair.

"A nuclear weapons' war is unavoidable if the current trend continues."

"And I am not concerned about what the Soviet Union is doing--even though I do not approve of the invasion of Afghanistan--but rather what the United States is up to. This situation was in the wind even a year ago."

He sat in the stylish city director's office with a view of market women and folk-life on the Salu market in Helsingfors and pointed out that he himself elected not to run in the last parliamentary election. So he was not driven out of Parliament.

Parliamentary work was tedious and he felt he was not able to influence policies very much.

Policies Determined by Top Leaders

"Policies in Finland are determined by the top leaders. Parliament does not have very much to say about them. All decisions are made at the highest party level and that applies not only to my party, but to all parties.

And the parties are protecting this arrangement. For this reason they opposed a law which would actually have allowed us to share in policy-making decisions. Instead, we got a watered-down version a couple of years ago based on the old principles. The parties do not want too much local democracy." Considering the parties' enormous power, Erkki Tuomioja welcomed the various interest groups that have surfaced.

With obvious approval he noted the existence of an environmental movement as well as an anti-nuclear movement, which are in the process of growing strong.

"They are important to our democracy," said Tuomioja, who also considered it advantageous that these movements are allpolitical or nonpolitical.

Will Provide Pressure

"They will act as pressure groups and will not get caught up in the regular parties," he said.

He avoided a question about his present position within the party.

Conservative Social Democrats feel that young Tuomioja "talks too much," while others, like party leader Kalevi Sousa, for example, do not hesitate to refer to Erkki Tuomioja's own ideas, that it is not good for a party to have a prime minister as its leader, among other things.

Wrote a Book in Silence

Tuomioja wrote a book in silence which is a political analysis of Finland's government and its party policies and includes his own conclusions about how things ought to be. It will soon be published in Finnish and the draft is entitled "Criticism of a Democracy Without Alternatives."

"We should have clearer alternatives with respect to government policies than we now have. Social Democrats, for example, should not be part of the government since we have a nonsocialist majority," said Tuomjoia.

What the Communists, who are also part of the government, should do "is their business." But he thought they were just trying to stay in the government--and had not been of any help to the Social Democrats as far as promoting a common labor policy was concerned.

Erkki Tuomioja felt that the Finnish right--the National Coalition Party--the big winner in the last election with 47 of the 200 parliamentary mandates, should instead be part of the government.

"Yes, because things could not be worse than they are now," said Tuomioja. On the table in front of him was a morning newspaper which trumpeted that his party leader Kalevi Sousa had stated "the government's days are numbered."

Tuomioja felt that the go-round in Finnish politics was unacceptable. More or less the same government structure after each crisis, with an expert minister in between.

An alternative would be to establish an all-party government--not like the present one with the National Coalition Party always on the outside. That would also be more honest since the National Coalition Party even now continues to be part of the governing process, according to Tuomioja.

The Finnish constitution demands a 5/6 majority on economic decisions.

One Party Can Overturn the Others

With its 47 mandates, the National Coalition Party can overturn all economic decisions.

Therefore, the government must first come to an agreement with the right wing before a proposal can be submitted in Parliament.

Hence, it is only an optical illusion that the National Coalition Party stands outside the government.

In his book, Tuomioja does not hesitate to talk about a crisis as far as his own party is concerned. "But that cannot be solved by adopting a program of new principles, which many believe," he said.

The talk about adopting a new program of principles came from right-wing forces within the party. They are disturbed that the chasm between the party's principles and the government's practical solutions has been widening lately. "In order to lessen the distance they want to adjust party policies to the right," according to Tuomioja.

[29 Apr 80, p 7]

[Text] "It is good that the Finnish People's Democratic League is part of the government. That means compromises in daily politics, but that is the price one has to pay for long-term goals, to create a future political basis for the majority of the people."

That is the reasoning of Ilkka-Christian Bjorklund, 33 years old and representing the Finnish People's Democratic League in Parliament since 1972. He is a Marxist theoretician who refuses to call himself a Communist--maybe a Eurocommunist, but not even that in so many words.

"I am a liberal Socialist, but absolutely not a Leninist," he said. Two years ago he wrote a favorable article on Eurocommunism--the line which demands independence of Kremlin and that each party be allowed to develop on the basis of national conditions. But the article was also rebuked by none other than PRAVDA, the Russian party organ.

In 1970 Bjorklund was seen in the press as wildly struggling with police. The unexpectedly mild and friendly man in a bright red sweater was not happy about being reminded of that publicity.

He felt it gave the wrong impression of him. He pointed out that he was in the good company of Social Democratic representative Erkki Tuomioja, among others.

Peaceful Protest

They, together with many others, were peacefully protesting the visit of the shah of Iran. The prosecution condescended.

Ilkka-Christian Bjorklund, who comes from an ordinary civil-servant family, is serving his third term in Parliament with the support of nearly 10,000 voters in the province of Nyland. There he lives in Esbo, a neighboring town of Helsingfors, with young intellectuals but, he pointed out, with "the tradition of crofters and soldiers" as well. He hastened to stress that he does not lack socialistic tradition--a relative was first a Social Democrat and later a Communist member of Parliament.

He himself is an academician; he taught political science and worked as a TV journalist. That was in the sixties or, as he said at "a time when they let young world reformers like Tuomioja and myself be. But now the climate is more repulsive in Finland," he said.

Quick to Analyze

Ilkka-Christian Bjorklund is quick to analyze and offers what he calls "deeply subjective" opinions about most things in Finnish politics.

With respect to politicians, he said "we might not call them corrupt, but there are, indeed, high and low morals within the different parties."

It is a matter of high morals to remain a Conservative when the National Coalition Party "has not produced a single ministerial post in 15 years." And there has not been many other appointments either.

However, the opposite is true of the Center Party, President Kekkonen's party. It attracts career politicians because the party is in power no matter what the election results.

Started as a Social Democrat

He himself started out as a Social Democrat, but is not prepared to follow the pattern of his older relative and become a Communist. Politically, however, he has allied himself with the Communists through DFFF (the Finnish People's Democratic League), the coalition organization for liberal parties. He pointed out that liberal Socialists are called "non-Communists People Democrats."

Liberal Socialists are hard to define. "One might call them 'Liberal Social Democrats,'" Bjorklund suggested. He referred to the fact there has been a liberal Socialist tradition in Finland ever since 1918, when the first labor party split. Many did not feel at home with the Communists or the Social Democrats.

More were born when liberal Social Democrats were kicked out of the Social Democratic Party in the fourties for protesting the war policy. Within DFFF, which was established in 1944, there was actually a party--the Socialist Unification Party--which self-destructed in the fifties.

No Organized Party

Today there is no organized party. Pastor Terho Pursiainen is one of five parliamentary representatives. Bjorklund himself is a pronounced atheist.

But even though Bjorklund is not a Communist, he stressed that liberal Socialists cooperate very well with the majority of Communists in Parliament.

Bjorklund felt People Democrats had done well in the government. He emphasized they had shouldered the heavy burden of Labor Minister--and had been successful.

"Although it might be illogical," he added, "since we view unemployment as a product of the social system we oppose."

He talked freely about the mutual interests of People Democrats. Many times he said "labor movement," referring to Social Democrats and People Democrats.

Tradition

But he also pointed to mutual interests with the Center Party. He referred to the old revolutionary traditions of "workers and farmers."

"But our cooperation with the Center Party--in the area of regional and environmental policies--actually conflicts with our antimonopolistic strategy," he said, "because the Center Party represents monopolistic attitudes through the interests of forest owners and the paper industry."

It is not easy to figure the equation, even for Ilkka-Christian Bjorklund. He did not want to say whether People Democrats would participate in the upcoming struggles in the already ill-fated government.

Nor did he want to say anything about Finland's political future. He did mention that the 1984 presidential election campaign already casts a paralyzing shadow across the political life in Finland. "The presidential election will determine the entire pattern of future cooperation. If we do not elect a Center Party member, we may have an entirely different pattern from the postwar Liberal-Center cooperation."

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CONSTITUTIONAL PARTY MAKES CHANGES TO STEM LOSSES

Helsinki HELSINGIN SANOMAT in Finnish 10 May 80 p 9

[Article by Hannu Savola: "PKP Tries to Pull Parties To the Right; Ehrnrooth Predicts an End to the National Front"]

[Text] Things are going poorly for the PKP [Constitutional Party], which will hold its party congress a week from now. The party, which lost both of its members in Parliament in the last elections, must elect, among others, a new vice chairman, because the previous one jumped recently to the Rural Party.

During the past couple of weeks the party has also lost another vice chairman and the party secretary. Both of them also to Vennamo's party.

In the municipal elections, the constitutionalists, led by Georg C. Ehrnrooth, will be defending their small percentage of the vote and 14 council seats. To be sure, two of those who were elected have left the party this year.

The constitutionalists are trying to entice right-wing voters with a new name. The party will change its name a week from now for the second time in its short history. The PKP will become POP, [Constitutional right-wing party].

Chairman Ehrnrooth maintains that the party will continue, though with scant financial resources. "In the municipal elections we will concentrate our forces on a few dozen municipalities, most of all Helsinki," the chairman says.

Ehrnrooth's seat in Parliament from Helsinki was lost in the last elections by a few hundred votes, and he will no doubt try to return to Parliament in the next elections. Besides, the right of the PKP to remain on the list of parties depends on a parliamentary seat.

"The Kokoomus [Coalition] will win a Pyrrhic victory"

Ehrnrooth does not have hopes that the PKP will grow large. "But our existence forces people to give us notice. We are driving the other parties to the right."

The right wing of the political field has just about been emptied, according to Ehrnrooth, since the Coalition has moved toward the center.

On the other hand, "the RKP [Swedish People's Party] is completely without independence, behind the Keskustapuolue Center Party and dependent on its support," says Ehrnrooth in describing his former party. "Besides, its power has been diminishing all the time. The RKP is no longer a party as it was in the 90's, but some kind of minority movement."

Ehrnrooth regards his other opponent as a soap-bubble, which will not last. He predicts that the Coalition will win a Pyrrhic victory in the municipal elections this fall, hoping to open the gates to a place in the government. After that, everyone will see what the Coalition is.

Ehrnrooth predicts difficulties for the Coalition also on the question of the president. "I'm just wondering what the Coalition, which has lost its policy line, will do about the matter of the president."

Ehrnrooth wants Reagan

Ehrnrooth predicts a swift end to Finland's national front government, "a peculiar axis of Centrists and Communists." He predicts that the SDP [Social Democratic Party] will realize that the government is too costly for it and KEPU [the Center Party], which fears the Coalition, cannot continue much longer.

Ehrnrooth, who has been out of Parliament for a whole year, makes profitable use of his free time. "I have received many new viewpoints," says Ehrnrooth, who has just returned from a 2-week trip to America.

On his trip he met many American politicians, among others Henry Kissinger, an autographed copy of whose thick book, "White House Years," lies on Ehrnrooth's desk.

Ehrnrooth boasts about his international connections, and points out a picture on the wall from 1960, when he presented a memento to then Vice President Richard Nixon. Another American politician in the picture, Representative Gerald Ford, an old friend, had arranged the meeting.

According to Ehrnrooth, Republican Ronald Reagan has all he needs at this moment to win the presidential contest. "He is a much stronger politician that is generally understood here. His support is growing steadily, and Carter is losing all the time," says the chairman of the Finnish Constitutional Party.

Election support for the PKP

The PKP has participated as a party in four elections. The party achieved its best result in the last presidential election, in which the PKP obtained 3.4 percent of the vote and six electoral votes for Ahti M. Salonen. Some of the votes apparently came from haters of Kekkonen in the Coalition and the RKP. Both those parties were behind UKK [Urho Kalevi Kekkonen for re-election].

In the last parliamentary elections support for the PKP returned to its previous level -- about one or one-and-a-half percent. The constitutionalists' share of the vote has been as follows:

1975 parliamentary elections	1.6 percent
1976 municipal elections	0.9 percent
1978 presidential elections	3.4 percent
1979 parliamentary elections	1.2 percent

The constitutionalists have received most of their votes from Helsinki and Uusimaa county and from the Vaasa area.

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LIBERALS PRESENT OWN INFLATION-FIGHTING PROGRAM

Helsinki HELSINGIN SANOMAT in Finnish 27 Apr 80 p 8

[Article: "The Liberals' own inflation-program"]

[Text] "The government, by arguing only about exchange-rate policy in recent weeks, has completely neglected combatting the factors which are causing domestic inflation," observes the party commission of the LKP [Liberal People's Party] in a public statement.

The commission of the LKP, which met in Helsinki on Saturday, presented the Liberals' own program for combatting inflation. The program includes reduction in the interest rate for home loans of one-half percentage point, and lengthening of the time for repayment of student loans.

In the opinion of the LKP, the degree of income tax should be lessened, and also payments for health insurance and employer's payments for unemployment insurance.

The commission of the LKP proposes further, among other things, increased effectiveness of price controls, collection of export fees from the lumber industry, and increased use of domestic energy.

Jaakko Itala, chairman of the LKP, spoke to the commission about communications policy. "We should have as the basic principle of communications policy that principles of freedom of speech for the printed word should be applied to new technology, and not by any means the communications policy of state monopoly applied to radio," Itala said.

Itala proposed also the beginning of activity by independent local radios. News services independent of the general radio would bring breadth to domestic television news, which has become stagnant almost to the point of becoming a ritual.

Itala pointed out that the technology of sending and receiving messages does not give to the state the right to control the contents of the messages. "Complete press freedom from censorship is the goal toward which we must strive also in electronic communication," said the LKP chairman.

Vice-chairman Terhi Nieminen-Makynen, who spoke to the party commission, wanted Kepu, the Swedes, and the Liberals to consult soon with one another to insure political pressure for the center.

The vice-chairman, who spoke about the crisis of the whole political center, mentioned that in many recent elections the direction has been away from the center, toward the extremes.

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CHRISTIAN PEOPLE'S PARTY LEADERSHIP ISSUES PROGRAM

Helsinki HELSINGIN SANOMAT in Finnish 27 Apr 80 p 8

[Article: "The Christians Want More Police Power"]

[Text] The party commisioners of the SKL [Finnish Christian Union], who met in Kouvola on Saturday, were concerned about growing insecurity of the aged, which, according to the party's understanding, has been caused by a reduction in requirements for police activity.

The Christians demanded quick actions from the governments "to improve security services in the sparsely settled areas of our country as well as in population centers."

The party commissioners feel it important that the renewal of social security, which was approved unanimously by parliament, be carried out without delay. The commission feels especially urgent implementation of the second stage of social-security renewal, because it would improve the situation of those who fall outside the pension system.

The party commission, in its statement issued in Kouvola, urges a significant increase in home services for the aged. In addition to that, especially in the large population centers, we need quickly additional places to care for the aged, the chronically ill, and invalids.

In the opinion of the party commission, intermediate-level government should be implemented by self-government for the municipalities, and their governing bodies should be elected by secret and proportional elections. The proposal of the ministers' committee on area politics, according to which the cabinet would appoint the county councils, would lead to the concentration of more power than before in the hands of the parties in government.

The party commission supports the establishment of a separate television network along the coast for Finland's Swedish-speaking population. In order to increase freedom of speech, the party commission also wants to speed up the beginning of news reports on commercial television as an alternative to the television news provided by general radio.

"The government should think about resigning"

In the opinion of Raino Westerholm, chairman of the Christian union, the government should quickly find an agreeable policy on keeping accelerating inflation within bounds. If that is unsuccessful, the government should draw the appropriate conclusion and make way for a government capable of action, said Westerholm, speaking Saturday in the meeting in Kouvola of the party commission.

Westerholm was especially puzzled by the fact that the government in a time of supposed prosperity has not been able to decrease the high unemployment. According to him, the government has either lacked the means or ability or else internal conflicts have torn the government so that positive decisions have not been able to come about.

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LABOR STUDY OF ECONOMY URGES MEASURES TO DAMPEN GROWTH

Helsinki HELSINGIN SANOMAT in Finnish 29 Apr 80 p 31

[Article: "Korpinen, TTT, Prescribes Long-Range Economic Remedies: Investments To Be Delayed, Revaluation, or Tax on Electricity"]

> [Text] Some of the peaks in this year's economic situation should be cut off, and thus fill in some valleys in the depression expected next year. That is the opinion of the TTT [Workers Economic Research Institute], the Institute gave out last Monday, along with its usual economic predictions, a group of recommendations on how economic policy should now be conducted.

In order to level off economic conditions, tax incentives for industrial investment should be quickly stopped, and excess profits in forestry should be cut off and replaced by a tax on electricity. According to the head of TTT, Pekka Korpinen, a revaluation of a couple of percent would also be appropriate.

Revaluation is not recommended in the printed prediction, because it was thought that this would have already been taken care of before the prediction came off the press, Korpinen explained.

According to Korpinen, all signs point to a sharp rise now and a sharp decline next year. The patterns of 1974-75 are threatening to repeat themselves.

TTT estimates, among other things, that export from forestry will swell this year by another 20-25 percent, whereas the industry only believes in a growth of 14 percent. According to Korpinen, the industry itself is concentrating on the price increases that have already taken place, and thus arrives at figures that are too low. TTT projects that the prices of both cellulose and paper will still rise this year.

Even "K"-Guarantees Should Be Tightened

The Workers Economic research Institute predicts a seven-percent economic growth rate for this year and two-percent growth for next year.

The institute feels that we should transfer two percentage points from this year to next so that the numbers would be five and four.

They feel that Finland's growth rate is notable especially against the background of international conditions. Elsewhere, the situation has been continually weakening, whereas here it is improving.

In the opinion of TTT, levelling can be achieved most easily by immediately postponing sales-tax relief on industrial investment for about a year. Then some economic ventures would shift to next year.

Also employers' payments for child subsidies should be restored to the previous amounts. The "K"-guarantees received by heavy industry should also be tightened.

The economic peak in forestry should be levelled by a temporary tax on electricity to replace the export fee. Because the price of timber is threatening to get out of control, the supply of wood should be increased by placing a tax on unsold products of over-age forests.

TTT feels that if the price of oil stabilizes at its present level, energy taxes can be raised in the next budget. According to Korpinen, this would help to insure an even growth in the price of energy.

Criticism of Money Policy

On Monday, Korpinen also criticized money policy, which he thinks has been very poorly handled. Changes in exchange rates have been slow and other matters of money policy have not been taken care of, complained Korpinen. We should now make money policy sufficiently strict by keeping daily interest rates as high as necessary, he said. Korpinen fears that the [present] uncontrolled situation will apparently lead to a money policy which is too severe, already next year. This in turn would worsen the coming recession.

In Korpinen's opinion we should also begin already to prepare measures to stimulate [the economy] which may be needed next year. For one thing, household income could be increased through tax relief. Next year we could also consider returning to a centralized over-all solution in the area of income policy.

The Workers Economic Research Institute feels that Finland will experience the western industrial countries' depression next year already. This year's growth figures, which look fine internationally, are explainable mainly by increased export to the Soviet Union.

According to Korpinen, we should try to shift as much as possible of this increased export, which has come about because of the rise in oil prices, to next year.

TTT calculates that exports will still rise another nine percent this year, even though western buyers are already going down-hill. Next year, exports will remain at a stand-still. Exports to the east will continue to grow well, it is true, but exports to the west will fall off by five percent, TTT estimates.

Indexing Raises Real Earnings

According to Korpinen, an especially positive element in economic development is the reduction of unemployment to 4.2 percent. Even next year it will weaken to "only" 4.5 percent.

Unemployment figures have arrived at entirely different numbers than in the 60's, according to TTT. The best periods at present are at about the same level as the worst of those times, Korpinen explained.

TTT estimates that consumer prices will rise this year at an annual rate of 12 percent. Because Finland has a tendency towards accelerating inflation, when it once gets started, prospects for next year do not appear comforting.

The Workers Economic Research Institute estimates that real earnings this year will rise by two percent. Four percent will come from indexing and ten percent from negotiated increases.

The institute estimates, however, that individual consumption will rise by a whole seven percent. This rapid growth is explainable by, among other things, capital gains in forestry and a notable decline in savings.

Consumers Are Replacing Worn-out Equipment

TTT believes that consumers are now replacing their worn-out equipment. This is demonstrated, for example, by record automobile sales.

Disposable income will rise this year by four percent, even though the public sector will have a slightly negative effect, TTT foresees.

Individual investment will increase this year by 13 percent and next year by five percent. The emphasis is on industrial investment, especially ventures in forestry.

TTT does not believe that exchange rates will weaken much at all this year; rather import and export prices will both go up about the same amount. Also next year the situation will remain as before.

The trade deficit this year will be 5.5 billion [marks] and next year over seven billion. Corresponding deficits in exchange will be 6.5 and 8.5 billion.

Imports will rise this year quite a bit faster than exports, namely 18 percent.

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FINANCE MINISTRY ECONOMY FORECAST REDUCES GROWTH ESTIMATE

Helsinki HELSINGIN SANOMAT in Finnish 30 Apr 80 p 31

[Article: "Even the Finance Ministry Fears a Sharp Delcine; More Growth This Year"]

> [Text] Economic growth will continue strong in coming months. Slowing of growth toward the end of the year will be less than expected. This is the feeling of the Finance Ministry in its economic projection published on Tuesday.
>
> The outlook next year is sharply weaker, and here the old danger is lurking, or in other words, a severe blow is again threatening economic development.

The Finance Ministry wants more effective measures and is proposing, among other things, the shifting of both individual and public demand to the latter half of next year and to 1982 in order to soften the steep decline.

The Finance Ministry published its projection just one day after the TTT [Workers Economic Research Institute], opened the spring season in this area with its similar projection and very similar recommendations. However, the Finance Ministry is more cautious than TTT in its projections on future development.

According the Finance Ministry, a long period of growth has now changed into a high economic level. Finland's development has been different from that of other countries, and there are risky factors involved in that.

In the development picture of the national economy there are some of the same disturbing features as in the middle of the last decade. Lively demand at home and apparent increases in income beyond increased productivity have accelerated inflation. The exchange deficit is swelling and this year and next combined will exceed 13 billion marks.

The Finance Ministry does not view the situation as being quite as bad as in the 70's. Nevertheless it fears that weak international economic development together with accelerating inflation can do their work again, in other words make future development worse.

Control of Inflation Is Still the Main Goal

The most important task of economic policy is still to control inflation, the projection says. Financial policy should be tightened further. More effective measures would be needed to balance and prevent overheating of the economy. Both individual and public demand must be postponed. In this way a weakening of demand and employment, which may even be very sharp next year, can be alleviated.

The Finance Ministry warns that we will not have the means to effectively stimulate [the economy next year], unless we are restrained now. Regulation of demand should be tightened; that is indicated by the growing deficit in exchange as well as the danger of overheating, the Ministry stressed.

According to the economic projection, overall production still grew strongly in the first quarter of this year, but it has not speeded up from the seven-percent growth rate of the end of last year.

Overall production is projected to rise by six percent this year, and growth will thus continue above previously projected amounts.

Production will increase most in home building, forestry, and trade. The growth of forestry is already limited by present full utilization of resources.

Next year growth will stop suddenly and growth in the gross national product is projected at 2-3 percent. The metal industry will increase its production even next year as well.

Employment will weaken next year

Employment will improve this year and the level of unemployment will fall to some four percent compared to some six percent last year. On the other hand, outlooks for employment by the end of next year are beginning to be gloomy.

The Finance Ministry comes to the conclusion, even in this most recent overview, that consumer price increases will remain at 11 percent this year. The Finance Ministry foresees, however, that an even faster rise in prices is possible.

According to the economic projection, rises in wholesale price indexes have already exceeded rises in the retail price index for a whole year. For example, the rise in basic prices for domestic markets this year is projected at 14 percent.

The Finance Ministry observes that exports are still going well this year because of additional purchases by the Soviet Union in particular, among other things. The economic projection predicts a rise in export amounts by eight percent and in income from exports by a fifth this year.

Exports will still increase a little next year, thanks to trade with the Soviet Union, because export to the west will decrease already from this year's level.

Lively domestic demand is swelling imports, which are calculated to rise this year by 14 percent in amount. Next year amounts of imports will not go up in the same way.

The Finance Ministry believes that weaking of exchange rates will be less than expected this year, and they calculate that the rise in import prices will be 3-4 pecentage points more than the rise in export prices.

Real incomes will rise 3-4 percent

The exchange deficit this year will be six billion [marks], according to the economic projection. Next year also the deficit may be of the same order of magnitude. In relation to the gross national product, however, the deficits are smaller than in the middle of the 70's, says the Finance Ministry as a comfort.

They calculate that individual investment in property will rise this year by a tenth. Fastest growth will be in industry, where the amount of growth will exceed a third. Investment in inventories will increase.

Real incomes of households will increase by 3-4 percent. Individual consumption will increase in amount by 4.5 percent, but growth will slow down perceptibly next year.

Total domestic demand will rise in amount this year by seven percent, but next year by only 2-3 percent. The Ministry feels, however, that tightening of money markets can control demand more than had been expected.

Spring projections for the year 1980

	Finance Ministry	TT?
Gross national product	6%	7%
Exports (amount)	8%	9%
Imports (amount)	14%	18%
Real incomes	3-4%	2%
Private consumption	4.5%	7%
Retail prices	11%	12%
Private investment	11%	13%
Exchange deficit	6 billion marks	6.5 billion marks

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BRIEFS

SOCIALIST YOUTH ATTACK KOIVISTO--In the opinion of the SNK [Social Democratic youth organization], participation in the government of Mauno Koivisto (Social Democrat) is in violation of the program of the SDP. According to the position statement approved Sunday in Kijava by the joint commission of the SNK, achievement of the policies of the SDP is impossible without separation from the present unsuccessful government policy. "In the opinion of the joint commission of the SNK, the present participation of the SDP in the government does not fulfill the requirements of the existing party program and the directives approved at the last party congress," the statement says. Kalervo Haverinen was chosen as chairman and Ilkka Hakoniemi as first secretary of the SONK [Central Union of Social Democratic Student youth]. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 21 Apr 80 p 10] 9611

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POLISH PARTY JOURNAL INTERVIEWS PCF'S GREMETZ

Warsaw NOWE DROGI in Polish No 4, Apr 80 pp 169-173

[Interview with Maxime Gremetz, PCF Political Bureau member and PCF Central Committee Secretary; Date and place not given]

[Text] [Question] The public opinion of many countries, including Poland and France, is worried by the worsening of the international situation, by the threat hanging over the progress made in the relaxation of tension on the international scene and its prospects for the future. In the opinion of the PCF what are the sources and immediate causes of these negative developments?

[Answer] To answer this question it is necessary, in my opinion, to trace the development of the system of class forces on the international scene in the preceding years. What can we see? On the one hand, the revolutionary movement, forces of social and national liberation as well as of the liberation of man have considerably strengthened their positions and achieved numerous successes. On the other hand, imperialism, which has painfully suffered from a continuously deepening crisis, was forced by the forces of progress to back down.

To prove this statement I do not intend to present a picture of the complete system of forces. I will limit myself to mentioning just a few facts. Thus, in the capitalist countries we witness a clear growth of the struggle of the masses which more and more forcefully focus on the problem of deep political changes indispensable for overcoming the crisis. It is in this situation that several communist parties have lately increased their influence, which was exemplified by the elections in Portugal, Japan, Mexico...

On the other hand, the socialist countries continued to develop satisfactorily in the economic and social spheres. It is true that they also must overcome certain difficulties, among others the result of the indirect impact of the crisis of capitalism on their economies. It is irrefutable, however, that they continue to grow, which only shows the superiority of socialism in solving the key problems of our era.

The movement of national liberation succeeded in Angola, Mozambique, and Ethiopia; its importance grows in weight. We are now witnessing a formidable thrust by nations struggling for their own liberation and dignity, for social progress and democracy. Moreover, the struggle against hunger and economic underdevelopment is on the rise, which finds its expression in the positive role played by the movement of the non-aligned countries in the effort to fulfill the demands of our times, particularly creating the new world economic order.

This peoples' thrust has been recently exemplified by the magnificent victory of the Zimbabwe liberation forces in the last election. One should add here that imperialism has recently suffered painful defeats in Iran and Nicaragua.

Thus everything points to the fact that on the international level the revolutionary movement is gaining the advantage. This is what scares imperialism the most and this explains its aggressiveness.

In view of this situation imperialism attempts to counterattack to defend its threatened positions. In the process it uses all available means, accelerates the arms race, increases interventions in the internal affairs of various nations, for example in Afghanistan. Imperialism carries out a true ideological war on a world scale, attempting to sow fear and distrust among the working people. It is for this purpose that it tries to defame communist parties and socialist countries. In the framework of this campaign Carter makes use of an obscene blackmail appealing for a boycott of the Olympic Games in Moscow and for economic sanctions against the Soviet Union.

Thus, imperialism is solely responsible for the present international tensions. However, we believe that there are forces in the world which are able to frustrate its attempts, force it again to retreat and to defend peace.

[Question] The final document of the conference of the communist and worker parties of Europe which took place in Berlin in June 1976 clearly formulated the thesis that in order to achieve a steady improvement of the international situation on our continent it is necessary to complement the political relaxation of tension with a military relaxation of tension. What is the position of your party on the arms race in its present stage, and in particular on the decision of the Atlantic alliance of last December to place Europostrategic missiles in the countries of Western Europe? In your opinion what are the most important tasks in the struggle for limiting the arms race and opening the way for successful disarmament talks?

[Answer] We are very disturbed by the acceleration of the arms race. The huge destructive potential built up in this way poses a horrible threat to mankind. What is worse, Europe is the part of the world where the concentration of these weapons is the greatest. The NATO decision to place new American rockets on European territory, if implemented, will worsen the state of affairs.

In our opinion no effort should be spared to stop the senseless arms race and to begin the process of their reduction. In France we are carrying out a great struggle to mobilize for this purpose public opinion, the working masses, and all fighters for peace. As you know, all French political parties with the exception of the PCF supported the placement of the American rockets in Europe. The President of the Republic just recently spoke in favor of the steps taken by the United States to improve its military capability. We are also struggling to bring the French government to take decisive action in support of disarmament and to take specific steps in this direction. Comrade Georges Marchais spoke twice on this topic suggesting a number of realistic and specific steps which would allow France to play a proper role in the name of peace. Our struggle is very popular. For example, at the end of December in Paris we were able to gather some 80,000 people for a rally against the NATO decisions.

In our opinion the most important matters we must struggle for are: (1) immediate ratification of SALT II by the U.S. Senate; (2) suspending the implementation of the decision regarding the placement of the new American missiles in Europe; (3) beginning negotiations in order to start a gradual and balanced reduction of armaments, particularly in Europe.

We believe that a broad movement of public opinion can bring considerable concessions in the area of these immediate goals. Therefore, it is necessary to do everything [possible] to make our protest even more effective. And that is what we are attempting in France.

At the same time we maintain that this is also a matter of concern to all nations of Europe, that certain initiatives are necessary in order to wage a common struggle. It is the duty of the communist parties to lead the struggle for peace.

[Question] Considering recent events, how does the PCF view the processes taking place in the developing countries?

[Answer] In general, we evaluate the struggle of the developing countries very highly. Our Twenty-Third Congress designated the struggle for the new economic order in the world as one of the main tasks of the international strategy of the PCF. If you followed our most important international meetings, e.g. Comrade Marchais' talks with Comrade Joseph Broz Tito or with Comrade Fidel Castro, you will not have any problems seeing the importance of this matter in our policy.

For we understand and share the concern of the developing countries that demand the establishment of more just and democratic relations between nations and that struggle for the right to manage their own natural resources and decide their own economic growth. In this area we appreciate the initiatives taken by the movement of the non-aligned countries particularly in the fields of the stabilization of raw material prices or accessibility of new technologies.

Needless to say, the problem of the new economic order is closely related to the struggle against hunger, illiteracy, and economic backwardness which also occupies an important place in our thought and activity.

The great present problem, world hunger, has been given a central place in our struggle for human rights. It is undisputable that the right to food, like the right to live in peace, constitutes an integral part of human rights.

[Question] In the context of problems under discussion would you like to share with the readers of NOWE DROGI your reflections on the present trends and activities which may contribute to the international solidarity of the communist movement?

[Answer] The acuteness and importance of the present international problems require, in our opinion, the strengthening international solidarity and extending it to all forces composing the revolutionary movement of our era.

Above all we want to develop our solidarity with other communist parties. The cooperation of communist parties in a struggle for important common goals such as peace, disarmament, international cooperation is of particular importance to us. We believe that in all those matters the communist parties are to play the leading role and their cooperation serves the interests of every country and every nation.

Obviously, this solidarity, like relations between the communist parties, must take into consideration the new reality in which the communist movement has to act. For reality today shows tremendous variety, which is a sign of maturity and growth. It also testifies that the communist parties are deeply rooted in their national realities.

This means that the variety of paths and solutions will likely increase; in our opinion differences in opinions and standpoints which exist or may occur among the communist parties should not be an obstacle in developing cooperation.

These new relations that we strive to achieve are being established clearly and honestly, of course. We are happy that this concept is more and more widely accepted in the communist movement, which is clearly exemplified by an important meeting that we recently had with the CPSU.

It is in this spirit that we contribute to the development of new practice of international solidarity, a practice that is more effective and more active, because it is better adapted to reality.

[Question] How does the party of the French communists view the results, prospects and tasks in connection with its cooperation with the Polish United Workers' Party?

[Answer] I might say that our relations with the Polish United Workers' Party are excellent. They are characterized by a feeling of honest friendship deeply rooted in both parties as well as by a deep mutual understanding. The recent meeting of Comrade Georges Marchais and Comrade Edward Gierek and the joint communique issued on this occasion clearly testify to the quality and dynamics of the relations between the French and Polish communists. Our entire party holds the development of these relations in high esteem, regarding them as an important element of peace, cooperation, and friendship between our countries and nations.

The PCF and the PUWP strive to achieve great joint goals such as peace, relaxation of tension, and security in the world, particularly in Europe. Our cooperation in this field is very productive and manysided. I would like to emphasize in this context the great importance of a joint initiative taken by our parties in regard to peace and disarmament.

The importance of this initiative was already emphasized by Comrades Marchais and Gierek during their meeting. It aims at organizing a meeting of communist parties which would issue an appeal to all the peace-loving people of Europe to join hands in the struggle for the first human right--the right to live in peace. This initiative will undoubtedly have a positive effect on the process of the relaxation of tensions.

The fact that such a meeting on the PCF and PUWP initiative would take place in Paris is an additional illustration of the promising outlook for concrete cooperation between our parties. Both our parties also struggle for the development of international cooperation and a new world economic order. In this field the development of cooperation between France and Poland is also of great importance to us and we are trying to give it fresh impetus.

We watched your Eighth Party Congress with great interest. We are happy about your successes in developing socialism in your country. Your original experience constitutes a constructive contribution to our own struggle for socialism in France. Undoubtedly, the best possible conditions exist for a fruitful growth of cooperation between the PCF and PUWP.

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SCENARIOS FOR GAULLIST PARTY (RPR) INFLUENCE ON 1981 ELECTION

Speculation on Gaullist Candidate

Paris LE MONDE in French 16 Apr 80 p 2

[Article by Pierre Lefranc, president of the National Action Association for Loyalty to General de Gaulle: "Rocard on the Second Ballot..."]

[Text] In preparing for the presidential election, the centrists have already launched a campaign to have the majority present only one candidate on the first ballot. Naturally, the centrists propose that one of their members be chosen, the one who in their opinion would have the best chance, that is, their No 1 leader, Giscard d'Estaing.

In addition, some weekly publications stated that if the chief of state is re-elected and if the majority is not united on the first ballot, he intends to immediately dissolve the National Assembly. A warning in the form of a threat, meant for the RPR [Rally for the Republic] members of parliament, in whose hands the above mentioned RPR member is. That means that Chirac's candidacy is more than problematical. All the more so since it is not in the interest of the young RPR leader to undergo a failure that would weigh against his future.

The confirmed gaullists believe that it is indispensable to have a true gaullist on the first ballot. The gaullists, who represent an important part of the public, do not want their votes to be merged with those of the centrists. The objectives of the French who have a certain concept of France and the objectives of the partisans of a just middle course without color or ambition are completely different. The gaullists will not be able to vote for the candidate who said "yes, but," then "no" at the decisive moment. Therefore a candidacy that makes it possible to appreciate the weight of gaullism in 1981 is necessary.

Who can validly represent the current of thinking that is faithful to the options of the founder of the 5th Republic? Would it be the RPR candidate?

The RPR leaders took a great deal of liberty with gaullism when it was a question of choosing. Are they not responsible for the presence of Giscard d'Estaing at the Elysee; did not others support political orientations that are contrary to de Gaulle's principles? Were not some associated with a lack of restraint, as when the dollar was freed from constraints, or when Great Britain was allowed to join the Common Market, without accepting the rules? Are not some of them engaged daily in a would-be centrist policy?

For these reasons, a carefully prepared candidate that is put forward by the RPR machine would not have an exclusive right to gaullism. On the contrary, a personality who is representative of the past, having given much proof of his adherence, or a politically new person would have much more of a chance of uniting the mass of voters who have been, are, or will be gaullists. We would like to be able on the first ballot to express our desire of by-passing party quarrels or those that are already taking shape within the hotbeds of intrigue.

Considering the importance of the chief of state from the point of view of the present evolution of the 5th Republic, this election, the election of 1981, in effect means making a fundamental choice for the future.

And the second ballot? If the gaullist candidate is still in the fight, we will know how to vote; but how difficult our decision will be if we have to cope with a centrist candidate.

This is precisely the situation to which reference was made in the most recent bulletin of the National Assembly with regard to action in behalf of loyalty to General de Gaulle. Several comments were interpreted in so many ways that it seemed worth returning to the matter.

We do not know what the pledges of the various persons will be from now until 1981, and new initiatives may emerge, but we are certain of one thing from experience; centrism means social immobilism and the effacement of France. As gaullists we therefore must oppose its continuance in office. Thus it is conceivable that the gaullists, considering a noncentrist candidate to be the closest to their movement's desire, will decide to vote for him, that is, for the socialist who almost certainly will be Rocard. That on the second ballot the gaullists will not vote for Giscard d'Estaing, that those who do not want to cast a blank ballot will declare themselves in favor of his opponent--these are not a wish that I am expressing; it is not advice that I am giving; it is a finding that I am expressing after many meetings and talks. Would Rocard get as many gaullist votes as Mitterrand? Probably. Mitterrand's path since 1940 has been too sinuous, one that has included too many risky exploits and excessive personal attacks against De Gaulle for Mitterrand to benefit from any indulgence.

Rocard is less compromised, is still relatively young, and...he has not yet been marked by spectacular renunciation. But above all it seems that he is not connected with the communist game.

The statement that the RPR would not be able to claim identification with gaullism, the necessity of a true gaullist candidacy on the first ballot, the finding that on the second ballot many gaullists will prefer to vote for Rocard instead of Giscard d'Estaing--these, 1 year before the presidential election--are the considerations of the confirmed gaullists who put attachment to concepts before ambition.

Possible Socialist-Gaullist Cooperation

Paris LE MONDE in French 16 Apr 80 p 2

[Article by Pierre Pascallon, professor at the School of Economics in Clermond-Ferrand: "A New Majority"]

[Text] The failure of the Giscard-Barre policy is evident; the seriousness of the economic and social situation of our country is proof of this: inflation is nearing 12-13 percent; unemployment currently affects 1 and 1/2 million people; investments are at a standstill. And now, in addition, after the lamentable and culpable behavior of our leaders in the Bokassa affair, the citizens of the country for the first time since the end of the 4th Republic are ashamed of being French.

Our nation thus urgently needs a new policy. From what forces is this necessary national impulse to be drawn? It must be well understood that neither of the two present coalitions can provide the revival that the present circumstances require. The straightening out of the country as a matter of fact requires a new majority of national unity, a union of gaullists and socialists.

I already hear commentators scoffing. And yet it can be shown first of all that this gaullist-socialist entente is logical for the two big RPR and PS [Socialist Party] groups, each of which, within the framework of its own respective alliance, presently is up a blind alley.

The pro-Giscard people in fact are imposing on the gaullists a policy which, in the long run, will end by merging, by absorbing, France more and more into a German-American whole, of fusing our nation with an Atlantic bloc that is dominated and directed by the United States. It is certain, in fact, that the domestic policy of the government--inspired by "advanced neoliberalism"--has no other ambition but to transpose to our country the German model of "the market social economy," and as a consequence this policy prepares our assimilation into the German-American model. But the

foreign policy of the government is also a policy of integration that is stressed in the German-American bloc: consecration of the domination of the mark through the European monetary system, acknowledgment of the supremacy of the dollar through the Jamaican agreements; in short, the acceptance, in effect, of the trilateral administration (Washington, Bonn, Tokyo) of world capitalism, under the aegis of Uncle Sam.

One thus understands that, since the gaullists have always wanted national independence and social progress, they can only be ill at ease in a coalition that desires to impose on them the joint administration of "big business" (as Emmanuel Beon de Lomene would say). And one may fear that in spite of all their efforts to modify the policy of the government, the heirs of the leader of free France would be induced--if they were to continue to be associated too long with the "French Union of the Right" (UDF) [French Democratic Union]--to become definitively incorporated into a liberal and conservative majority that would cause them to lose the progressive identity given to them by the man of 18 June, the man of nationalizations, of planning, of Social Security, of the joint production committees, of decolonization.

But the socialists encounter the same problems in an establishment called the "Union of the Left," full of invectives, of polemics, and of divisions. Which in fact in 1979 does not clearly see that the communist partner will possibly agree to some day govern with the socialists only if it knows that it will be in a dominant position to prescribe its "Maximalist" reading (to use S. Ch. Kolm's expression) of the defunct "joint program"; that is, to be able to undertake the building of a collectivist-type society...no longer leaving enough room in the long run for individual preoccupations. Thus it is clear that the heirs of Jean Jaures and of Leon Blum, supporters of a liberal socialism--Georges Vedel rightly speaks of an "individualist socialism,"--reconciling in the best possible way the collective organization of production and of consumption with the development of individual freedoms, can no longer place their hope in an association with the communist party that intends to force them to build the future of our country by placing itself under the sole patronage of Marx.

A Great National Plan

Well, it happens that, locked as it were each in its present respective alliance, the gaullists and socialists might be able to gain full acceptance for their philosophy and their political traditions by jointly proposing a great national plan of independence and justice, capable of responding in depth to the needs and to the present aspirations of our people. It is certain in particular that there is great agreement today between the RPR and the PS on what the objectives and the ways and means of an economic and social policy should be with regard to the general benefit of all. The

objectives? The gaullists and socialists agree that nothing is more degrading than unemployment, even if there appear to be various financial measures to reduce the unfavorable consequences and also because their militants are not secure from this hardship. They therefore want to reverse the present hierarchy of the objectives of the economic and social policy; that is, that while the government wants to give priority to restoring the considerable domestic and foreign monetary and financial balances, they above all are desirous of giving priority to full employment. By what means can this be achieved?

Both sides meet in order to stress the need of a more sustained expansion, through a selective impetus from private and public productive investment (through the budget), and an impetus from family consumption, conceived as an element of an overall demographic policy, this voluntary therapy having to rely on an economic plan that is accompanied--this is the other inseparable part--by a social plan that is freely discussed by the contractual partners of the nation. One could likewise show that the traditional gaullist foreign policy of independence and of cooperation is similar to the "socialist plan", already pleading for "an independent and open France in the world" (LE MONDE, 3 October 1979). One becomes more and more aware that there already exists in the two RPR and PS groups a possible joint gaullist-socialist political plan, already made apparent several times through affirmative votes in the National Assembly in Paris and in the European Assembly in Strasbourg.

There is no doubt that the French people would adopt this hope if, as the hour demands, a gaullist-socialist (president of the Republic, prime minister) "tandem" were to be proposed to them at the time of the 1981 election.

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CONTEMPORARY NAVAL STRATEGY VIEWED

Stuttgart MARINE-RUNDSCHAU in French Apr 80 pp 194-202

[Article by Vice Admiral Pierre Lacoste, head of the Military Cabinet of the Prime Minister: "Prospects of Contemporary Naval Strategy"]

[Text] (This article reflects the personal opinions of the author and in no way expresses the official views of the national Navy or the Ministry of National Defense.)

The role, functions and future of naval forces in the contemporary world raise numerous difficult questions. The arms race, the technical revolutions that affect means of combat and above all, the political-strategic evolution of the world in the age of nuclear weapons capable of mass destruction make it increasingly difficult to transpose lessons of history. Can the last world conflict, which is the most recent example of naval warfare to which specialists can refer, serve as a valid exa ple to determine the forms which naval war actions could take and in order to train naval forces for confrontations in which they might well be involved?

After showing how the war from 1939 to 1945 provided a new confirmation of the validity of the traditional concepts of maritime strategy, we shall demonstrate the importance and impact of the revolution brought about by strategic nuclear submarines.

The main effect of the existence of forces of deterrence is to make the launching of a major naval conflict unlikely. Nevertheless, the possibility of direct confrontations between naval forces is not to be totally rejected and we shall therefore propose a number of hypotheses concerning the elements that could be the most decisive to the outcome of the fighting.

On the other hand, the likelihood of pursuing confrontations in the world using an indirect strategy gives singular importance to the role and size of air and sea forces.

It is therefore important that tomorrow's naval forces, while remaining ready to carry out their main function, naval combat, also be effective and reliable instruments in the hands of their governments in order to respond to the needs of times of crisis and thereby be a solid guarantee of peace.

The history of naval battles during World War II provides a good illustration of the correctness of the geopolitical and strategic concepts of the school of Anglo-Saxon thought. A few examples show this.

If, in 1940, Great Britain was able to stand up to German military might alone, it was undeniably thanks to its insular situation and the resources supplied by sea by its own empire and the industrial power of the United States. Obviously, Germany's strategic objective in the naval domain could only have been to interrupt the supply line to the British Isles through the North Atlantic. This was the purpose of submarine warfare waged against the English ships and convoys. At the same time, the importance of what was at stake greatly justified the enormous British effort to develop effective countermeasures of antisubmarine warfare.

Another example of maritime strategy is provided to us by the Mediterranean theater. Following the imperial tradition of the Indian Ocean route, England considered that maintaining its communications through the Mediterranean basin was of vital importance, while Germany, which did not obtain from its Italian ally all the aid it might have expected, when one notices the exceptional geographic situation of the peninsula, tried, with the campaigns of the Afrika Corps, the offensives in Greece and Crete and the various episodes of the battle for Malta, to obtain in the area of Egypt a success that could have been decisive to the outcome of the war.

Starting in 1942, the entry into the war of the United States and the vissitudes of the operations in the Pacific provided new examples of grand naval strategy. In a geostrategic vision of the world conflict, the American continent is comparable to an island on a planetary scale, and the United States snatched from England the title of master of the sea: It had to face its adversaries on two major fronts: the African-European front and the Pacific front. In war in the Pacific, the predominant factor is air and naval; the armored ship, the principal battleship of previous wars, has now been dethroned by the aircraft carrier. Mastery of the air becomes as decisive to naval combat as on the continental battlefields. At the same time, gigantic amphibious operations represent a new form of projecting sea power toward land objectives and territories. The victories of the American air and sea operations confirm the correctness of the principles applied by the U.S. Navy, which learned the lessons of Admiral Mahan: The determining condition of success is destruction of the principal force of the adversary. In addition, the American submarines succeeded in breaking the naval lines of communication of the Japanese islands and contributed very effectively to the defeat of Japan.

In Africa and Europe, it was definitely thanks to their mastery of the oceans that the Allies brought off their major strategic maneuver of encirclement, based on amphibious landings, and set up bridgeheads in North Africa, Sicily and then France. Having won the communications battle, the English-speaking nations were able, through the ocean spaces, to enjoy immense foreign resources, without forgetting the considerable support they provided to Soviet Russia by the sea.

World War II also revealed the complexity and variety of modern naval war operations: surface battles, using guns and torpedoes; submarine warfare and antisubmarine warfare; air and sea combat, ranging from maritime patrols to attacks by air and including the intervention of carrier-based aircraft; coastal battles, including light forces, the use of mines and special operations; and finally, amphibious warfare and air attacks directed at land objectives.

In all these forms of naval warfare, technical developments have been remarkable: New weapons and equipment, such as radar, for example, have profoundly modified combat conditions. But if one looks at things through the eyes of a strategist, one sees that in the final analysis, the fighting constitutes a new illustration of a classic scheme: that of warfare pitting maritime powers against the continental powers. In the confrontation between the master of the sea and the master of the land, the objectives of the former can be expressed simply: Mastery of the sea enables the maritime power to keep ocean routes by which supplies and reinforcements are shipped open. This is the logistic function. This mastery also enables the former to make free use of maritime spaces to mobilize amphibious and air power from the sea against the resources and territories of the continental adversary. This is the strategic maneuver function.

It is this same geostrategic scheme that now dominates the hypotheses of an East-West confrontation. In a conflict between the NATO forces and the Warsaw Pact forces, one would find the characteristic features of the opposition of maritime powers and continental powers.

Moreover, NATO's naval strategy is directly inspired by the general scheme of World War II: freedom of communications and projection of power. In the case of conflict in Europe, the deployment of American military might would depend, despite the development of oil wells [? possible misprint], on the freedom of maritime communications through the North Atlantic. Strategic maneuvers on the northern and southern flancs of the European peninsula would largely depend on air and sea forces set up around the American aircraft carriers.

Inversely, the maritime strategy of Soviet Russia consists of contesting the Western mastery of the sea, aiming both at maritime transport and air and sea attack forces.

The development of naval forces in every field since 1945 actually responds to this scheme, dominated by the extraordinary effort that the USSR has made to provide itself with a fighting force on a scale with that of the United States.

However, this scheme is absolutely incomplete insofar as it disregards cardinal changes that have come about since the end of the war, to wit, the appearance among the great powers of nuclear forces capable of mass destruction: 1944, the V2 rockets, the first ballistic rockets, were

launched over London; 1945, the first atomic bomb exploded over Hiroshima, instantly causing as many casualties as a raid carried out by hundreds of bombers; 1958, the "Nautilus," the first nuclear submarine, went under the North Pole.

The new possibilities opened up by technical revolutions involving explosives as well as vectors gave the United States, first of all, and then Soviet Russia access to weapons having intercontinental range and capable of wreaking destruction on the adversary beyond any possible comparison with that of previous conflicts. Henceforth, total war would no longer spare those "in the rear"; entire populations would be hostage. Awareness of this terrifying danger to potential adversaries is at the root of the phenomenon of deterrence, which has become reciprocal, since the initial monopoly of the United States has become a relative balance of the nuclear arsenals of the two great powers. Finally, the possession of strategic nuclear forces by an average power enables the latter, even if its traditional and nuclear military forces are incomparably weaker than those of the superpowers, to exercise deterrence of the strong by the weak, given the fact that the stakes would be totally out of proportion when compared with the risk of massive destruction on its territory by the potential aggressor.

At sea, the nuclear submarine represents the heretofore unattainable dream of all submariners, that is, the possiblity of remaining submerged indefinitely without having to return to the surface. The combination of this new vessel, capable of remaining at the bottom of the sea, invisible and out of reach, with the ballistic missile-nuclear warhead pairing gives strategic forces an additional asset. In fact, while one can imagine that stationary silos on land housing the missiles, along with the air bases where nuclear bombers are stationed, could be destroyed by a preventive counterbattery strike, the submarines are for their part safe from such an attack. They are therefore the essential weapon of the second strike and represent the guarantee that the aggressor could in no case duck reprisals on his own territory.

From the standpoint of the strategic importance of the oceans, one can say that this new situation modifies the traditional particulars: Henceforth, the ocean spaces have a new function that takes precedence over the functions of maritime communications and the projection of power. This new function is that of providing a refuge for second-strike nuclear forces.

Without the nuclear submarines, the risks of the preventive destruction of strategic arsenals might be a temptation and cause an aggressor to try to get the jump on his adversary. The certainty that a second strike would always come in response prohibits such reasoning. Consequently, naval fleets are entrusted with a new and absolutely cardinal task and, following space, have taken on new importance for the maintenance of a strategic balance and deterrence of total war.

What consequences can one deduce from this new situation with respect to naval conflict and schemes for naval strategy in the future?

Let us first of all note that although since 1945 armed conflict has practically never ceased in the world, on the other hand, there has been no naval warfare. Excluding certain engagements between coastal or regional forces and also amphibious operations and the projection of force in Asia (Korea, Vietnam), naval forces have not faced one another in battle. On the high seas, violence has been checked. The Soviet air and sea forces have experienced prodigious development and have gradually been deployed in all the oceans of the world without any serious incidents. This is explained by the effect of deterrence. Just as the great powers have to date done their utmost to avoid a direct confrontation between their armed forces and preserved the nature of their territories as inviolable sanctuaries, they also carefully avoid openly attacking their mutual maritime interests and engaging in open conflict.

In other words, the hypothesis of naval warfare taking the form of a major confrontation on the sea stems from the failure of deterrence. Certain schemes of naval battles that military navies prepare to face therefore have little chance of occurring as long as deterrence makes Americans and Soviets hesitant to embark upon all-out war.

On the other hand, protected by deterrence, naval forces have an important role to play in direct strategies, which do not exclude the possibility of violent confrontations.

For the sake of the clarity of the following presentation, the category of naval strategies of direct confrontation will include those pitting the naval forces of major powers against one another in a major conflict, while the classification of indirect strategies includes those corresponding to a minor mode of the use of armed might on the seas. It is obvious that in both cases, the duty of sailors is, like that of any military man, to prepare for combat in such a way as to be ready for any eventuality.

Naval Strategies of Direct Confrontation

It has already been pointed out that on the assumption of open conflict between the Western nations belonging to the Atlantic Alliance and those belonging to the Warsaw Pact, the so-called "classic" strategic conditions seem to exist: The task of the American Navy would then consist of ensuring mastery of the sea in order to preserve or restore lines of maritime communication and in order to be able to project its air, sea and amphibious might against the enemy forces and territories. The mission of the Soviet Navy would be to interrupt maritime logistics and destroy Western air and sea forces from the high seas.

It is not our purpose here to look at the opposing ofrces in order to make a comparitive examination of the naval potential of each of the blocs,

but we shall try to point up, based on the principal technological progress made in naval armaments, the likely consequences with respect to the form and conduct of battle on the seas.

Until only recently, naval operations took place in three types of space: the submarine space, the surface of the sea and the air space over the sea, with submarines, torpedoes, mines and sonar for the submarine space; planes, missiles, helicopters and shells for the air space. Surface ships, sailing on the very border of the air-water diopter, have the formidable privilege of fighting in both domains but are doubly vulnerable to submarines and planes.

Since the advent of the satellites, a fourth space is now included in naval operations. New means of observation, navigation and telecommunications provide sailors with the possibility of exercising surveillance over vast areas, taking up positions on the sea with almost absolute precision and communicating directly and discreetly under all circumstances. The extra-atmospheric space, which is not yet accessible to any but the biggest powers, provide their navies with considerable advantages over those which cannot yet benefit from it.

In underwater combat, the main change that has come about since the end of World War II is without any doubt the appearance of nuclear propulsion applied to attack submarines. In the field of antisubmarine warfare, progress in detecting very low-frequency acoustic vibrations represents the newest element.

In combat on and over the sea, low-flying ocean-to-ocean missiles provide, even for small units, a possibility of intervention and a firepower formerly accessible only to very large vessels. In the Soviet Navy, long-range surface-to-surface missiles play an analogous role to that of fighter planes launched from Western aircraft carriers. Finally, the development of carrier-borne helicopters provides surface ships with the possibility of extending their means of antisubmarine and antisurface observation and intervention to a great degree. In projecting power to enemy shores from the sea, only the American Navy has, with its giant aircraft carriers and the power of its air groups thus carried, been able to develop a formidable instrument of combat, although this does not represent a real change compared with analogous forces from World War II.

These examples are among the most characteristic. Actually, it is throughout the range of equipment and weapons systems that one observes four major trends: stronger, faster, farther, greater accuracy.

Stronger: The new weapons are much more powerful than those of preceding generations. Planes carry tonnages of bombs and missiles ten times greater than was the case 20 years ago; rapid-fire guns have enormous outputs and consume impressive tonnages of munitions. Above all, the appearance of the nuclear explosive has made it possible to develop weapons which, with equal weight, are millions of times more powerful than traditional weapons.

Faster: Ballistic missiles, antiaircraft missiles, sometimes travel six or seven times faster than the speed of sound. Airplanes have become bi- or trisonic. Nuclear submarines move faster than surface vessels. This increase in speed has brought about a reduction in reaction times and makes improved performance of automatic systems essential in order to respond to threats and aid human capacities.

Farther: The range of planes and missiles is dozens, even hundreds of kilometers. Observation satellites provide a world vision and one can communicate instantly from one end of the world to the other.

Greater accuracy: Thanks to precision-guided weapons, one goes straight to the target. But in addition, thanks to technical progress in weapons systems, they are becoming increasingly reliable and more and more automatic.

What conclusions can one derive from these reflections? We shall we content with three: On the assumption of direct confrontation between naval forces, it is the offensive nuclear submarine, electronic warfare and the attack-protection dissymmetry that should play a decisive role.

The offensive nuclear submarine possesses such a combination of assets and offensive capabilities that it appears to be the likely successor of the aircraft carrier in the role of the capital ship of tomorrow's naval forces. Antisubmarine warfare and means of protection seem quite inadequate, especially when the range of its offensive weapons will have been completed by new low-flying, long-range submarine-to-surface missiles.

Electronic warfare is omnipresent. It is no longer possible to consider the slightest naval operation without taking implications of electronic warfare into account. In all functions: detection, communications, attack and defense; in all domains: under and above the water; at all levels: the operation of weapons systems, elementary tactics or conduct of operations, the innumerable techniques and procedures of electronic warfare are required of combatants.

The attack-protection dissymmetry is an observation from experience. Once upon a time, in shellfire-armored vehicle combat, armor could sometimes hold up to the guns. Today, because of their power, speed and precision, the new offensive weapons systematically tend to outclass protective arrangements. This can be seen with surface-to-surface, air-to-surface and air-to-air missiles, remote-controlled or radio-controlled torpedoes. But it can also be seen on the strategic scale with the basic dissymmetry stemming from intercontinental strategic missiles launched by submarine.

And yet, it appears very difficult to go very far with logical reflections on combat conditions between modern naval forces, for one quickly comes to contradictions or incoherencies as soon as one excludes nuclear weapons.

With regard to tactical nuclear weapons, it has sometimes been said that their use in naval combat could have fewer consequences than in war on land. It is true that fallout from nuclear explosions on the water or underwater would have few effects on the people. But the taboo still protecting this type of weapon remains very strong and it is difficult to see what tactical advantage could justify its transgression and subsequent rapid passage to strategic nuclear weapons and their irrational and unpredictable sequels. If two great powers are making war on the seas over a vital interest: lines of communication or resistance to invasion, then why destroy convoys or aircraft carriers when it is easy to destroy the naval bases of landing ports with a single bomb?

It is very difficult to answer this question and that is why one must pay the greatest attention, beyond the schemes of all-out war, to the conditions in which more limited confrontations might take place, confrontations presenting all the possibilities of intervention by naval forces in varied scenarios of indirect strategy.

Sea and Indirect Strategies

The world is the scene of countless forms of conflicts: ideological and racial, conflicts over interests, power, borders. Not all these conflicts degenerate into armed conflicts. Economic and commercial warfare is waged by nations without their resorting to arms. Subversion and revolution do not necessarily mean the use of regular armies.

Protected by rules of conduct and the voluntary limitations which the great powers have imposed on themselves out of fear of nuclear escalation, indirect strategies are preferred. Military violence that is limited in intensity is also geographically circumscribed to theaters far from their national sanctuaries.

In order to preserve their outside interests, provide aid to their "customers" or allies that are threatened and avoid the danger of upsetting a regional balance, the great powers resort to air and maritime transport and to the presence of naval forces. Indirect military strategies are therefore synonymous with "external" actions in a world in which power factors are increasingly multipolar and in which the oceans thereby retain prime importance.

It so happens that naval forces are particularly able to maneuver in a situation of crisis and effectively participate in the conduct of indirect strategies. This has to do with the nature of the international milieu in which they operate and the type of action for which they are trained and which they have to face on a routine basis.

The high seas are an uninhabited international space accessible to everyone. They could be the theater of confrontations limited to "professionals" without effecting populations and without violating borders. It should

be noted that naval forces belonging to potentially hostile nations are used to meeting and keeping a watch on one another at sea. They have therefore acquired a certain number of customs and reflexes that encourage a subtle game of threats or deployments, while avoiding dramatic consequences. For example, if one wishes to pose the threat of offensive intervention in a territory, it is possible to do so without thereby violating international laws and customs or making any irreversible gestures.

In peacetime, naval forces carry out a whole range of maneuvers that respond particularly well to the needs of indirect strategy.

For example, training and security missions are constantly carried out. Maritime patrol planes, submarines and electronic means are used in peacetime to guard maritime approaches or in order to inform forces when they are deployed at sea. Daily training provides sailors with excellent practice in these missions, for which they have developed proven tactics. Another example: Naval forces are capable of following a whole host of measures representing a potential and graduated threat by virtue of their very presence or by ostensible maneuvers, exercises, alerts and demonstrations. Numerous possibilities offer a variety of forms and great flexibility thanks to the mobility of ships and planes and the ease with which one can concentrate or deploy them in a very short time.

This flexibility also makes it possible to go from the potential threat to more concrete but still limited actions in response to adverse moves, thanks to the reversible and gradual nature of the actions, the publicity given to them or, on the contrary, to the discretion one may exercise. It is possible to closely control responses to unfriendly or hostile actions on the part of the adversary. This presumes that the forces used have very reliable and highly effective means of command, liaison and control.

In crisis situations, the subordination of military forces to political leaders is absolutely essential and everything must be done to prevent any misunderstandings or mistakes. This also presumes an excellent quality of information and a precise definition of the rules governing the use of equipment and regulations covering the engagement of weapons (for example, in self-defense) all elements affecting attitudes and their perception by the enemy. Finally, if war actions should come about at sea following a process of threats or retaliation, they could still, in spite of everything, remain conflict "among professionals" for whom war goes with the territory. In the final analysis, this would have fewer consequences for the peace of the world than armed conflicts of the "people's war" or all-out war type.

In conclusion, the use of air and sea forces in a crisis situation in the various possible schemes of indirect strategies covers a whole gamut of possibilities and corresponds to the ideal of making a show of force in order not to have to use it, or of measuring the amount of force used while remaining in control of its limits.

This variation on the deterrence dialectic is richer in possibilities, more flexible and less brutal than that of nuclear deterrence. Of course, naval air and sea forces are not the only elements involved and the air force and army also have their role to play, but this is often at a higher step in the escalation when one leaves the neutral milieu of international waters and engages in battle in territories, endangering populations.

The principal vocation of the naval forces of today and tomorrow is, just as it was in the past, to fight to victory at sea. But the appearance of nuclear submarines equipped to launch long-range ballistic missiles has added a totally new mission to the traditional tasks of combat fleets. Immediately, the terrifying prospect of the mutual disaster which all-out war would entail causes political and military leaders to envisage a wide range of dissuasive, defensive and offensive actions adapted to the various possibilities of international crises, while remaining below the threshold of global conflict.

Naval forces, which have the capability of maneuvering in this type of situation, must therefore be adapted to the new conditions of world strategy in order to play an effective role in the handling of crises and the defense of their countries' higher interests.

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ARIANESPACE DIRECTOR FREDERIC D'ALLEST INTERVIEWED

European Rocket

Paris L'USINE NOUVELLE in French 27 Mar 80 pp 70-71

[Interview of Frederic d'Allest by Marc Chabreuil, date and place not given: "Ariane: the Private Sector Takes Over"]

[Text] Thirty-five industrial companies and 11 European banks have joined with the National Center for Space Studies [CNES] to create a limited investment company under French law (Arianespace), responsible for the manufacturing, marketing and launching of the European rocket. The justification for this innovation: the assurance of being able to manufacture at least 40 launchers, but also the prospect of a keen trade battle with the Americans. Its president gives explanations to L'USINE NOUVELLE.

[Question] Intergovernmental negotiations, mainly with Federal Germany, have not always been easy. Was it the same with the European banks and industrialists?

[Answer] Despite the number of countries concerned, the time involved in creating Arianespace was short. Beginning with a CNES initiative dating from 1978, political and industrial negotiations began in February 1979. Four months later, an agreement protocol was signed by all the industrialists who participated in the development phase of the Ariane program. Today, after a thorough study of the problems, financial mock-ups, marketing analyses, the last hesitations have been overcome. Despite the difficulties of the enterprise, not one of them was missing at the roll-call. Actually, the risk was both a limited and a calculated one. So much so that it was the banks themselves that wanted to participate in Arianespace. To a limited extent, it is true (about 5.5 percent of the capital, compared to 60.5 percent for the industrialists). However, we are at present discussing with them the possibility of a "participating loan" that would correspond to a much larger committment on their part.

[Question] What will Arianespace's resources be in terms of equipment and personnel?

[Answer] Arianespace will have available all the facilities, equipment, plant, and "intellectual" property rights acquired during the development phase of the launcher. It will be technically and financially responsible for all the Ariane launching equipment, with CNES retaining ownership of the Kourou base, of which about one-third of the operating costs are being picked up by the European Space Agency (ESA). So it will have to pay fees according to a sliding scale (up to 5 percent of the cost of lauching) corresponding to use of the Guyana base facilities.

At the beginning, Arianespace will directly employe about 100 persons. This work force corresponds to a rate of three or four launchings a year. Of course, if the annual launching pattern goes up to [illegible] or even six, as it is reasonable to suppose, the operations division will need about 30 additional people.

[Question] The creation of Arianespace has aroused some anxiety at the CNES. Launcher management personnel was afraid that the development of Ariane 2, 3, and 4 would not be under its control. Are these fears justified?

[Answer] Not at all. The development of Ariane 2 and 3 will be identical in every detail to that of the basic program: it will be an ESA project, under CNES supervision. A special covenant between the agency and Arianespace will in due course define in detail the way in which the company will assume responsibility, in production, for improvements achieved in a separate development context. The CNES thus retains launcher administration with sole authority in Europe, and will direct future programs. Moreover, since the various versions of Ariane will be competing with the American Shuttle, developed with public funding, one cannot reasonably imagine private funding on the European side.

[Question] Some foreign countries have already taken out options on the launchings. Will they be confirmed soon?

[Answer] At present, we have recorded reservations for launchings from four foreign companies (RCA [Radio Corporation of America], ATT [Associated Telegraph and Telecommunications], Western Union, ARABSAT [expansion unknown]), and we are negotiating with INTELSAT [International Communications Satellite]. The talks seem to be going well. They should be completed between next June and December. But we must be realistic. Between a 100,000 dollar option and a firm order, there is a wide gap to be bridged. It is obvious that Ariane will not capture all the markets. But we are optimistic. In 1978, we made three projections: low profile (two shots a year), medium (three or four shots), and high (over five shots). At the present time, we can consider as sure four shots a year between now and the end of 1984, which is sufficient to make the company profitable. We have reasonable hopes of expanding to five or even seven shots a year.

[Question] Your optimism seems to prove that Ariane is competitive with respect to existing launchers. Will it be the same with respect to the American Shuttle?

[Answer] It all depends on the prices quoted by NASA [National Aeronautics and Space Agency]. At the moment, Ariane is competitive with the conventional American launchers, Delta or Atlas-Centaur, although over 100 of them have been produced. But there is no actual market price: the suggested prices are very disparate. On the one hand, because the launchers were developed under very different conditions. On the other, because some of them (Ariane, but especially the Shuttle) do not yet have "credibility" so far as users are concerned.

Facing the Shuttle, we shall certainly have to make some big efforts in productivity and in improvement of the launcher (Ariane versions 2 and 3, then 4 around 1985). NASA is sure to revise its prices upward, but it will not be able to set a realistic price until the Shuttle has been in operational use for 2 or 3 years. We should know where we stand within the next 2 or 3 years. In any case, the commercial competition is sure to be very stiff.

Arianespace Shares

Paris L'USINE NOUVELLE in French 27 Mar 80 p 70

[Text] With 59.25 percent, France is the majority shareholder in Arianespace: 34 percent for the CNES, the only government organization involved, 8.5 percent for SNIAS [National Aerospace Industrial Company] and SEP [European Propellant Company], 4 percent for MATRA, 2 percent for Liquid Air Company, 0.5 percent for the banks (Credit Lyonnais, BNP [National Bank of Paris], General Banking Company...) and 0.25 percent for the other industrial companies that participated in developing the base program (Comaip [expansion unknown], Crouzet, Intertechnique, SAFT [Stationary Battery and Traction Company], SFENA [French Air Navigation Equipment Company], SFIM [expansion unknown], and SODETEG [Technical Studies and General Enterprises Company]. West Germany is in second position with 19.6 percent participation, followed by Belgium (4.4 percent). Italy (3.6 percent), Switzerland (2.7 percent), Spain (2.5 percent), Sweden and Great Britain (2.4 percent), the Netherlands (2.2 percent), Denmark (0.7 percent) and Ireland (0.25 percent).

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NATION'S ENERGY FUTURE VIEWED BY EXPERTS

Paris COMBUSTIBLES ET CARBURANTS in French May 80 pp 11-12

[Article: "How the Experts View the Energy Future of France"]

[Text] There is no doubt that the French Council of Ministers, which dealt yesterday with the problems of energy in the light of the last week's Central Planning Committee meeting, has drawn inspiration largely from the work done by the Energy and Raw Materials Committee.

The "prairies report," from the name of the chairman of this committee [as published], presented as an "interim note," effectively furnishes a very lucid analysis of the data and recommends strategies for coping with the situation. The report is in six parts:

1. the international scenarios;
2. the limited increase in energy;
3. the limited increase in oil;
4. how to improve the security and cost of oil supplies;
5. alternative energy sources; and
6. general remarks by way of provisional conclusion.

We point out that this report was written in the first half of March, and that a final report will present the definitive conclusions, taking account in particular of the decisions reached by the Planning Council and at the same time extending the perspectives to the year 2000. It is impossible to go into detail about the 34 pages of the "note." We shall limit ourselves to presenting the essence of it.

The International Scenario

This scenario is characterized by its pessimism in the light of the OPEC events since Caracas (last December). "It is difficult to see how the situation could stabilize so long as relatively strong world economic growth continues to demand more oil from the OPEC countries and financial surpluses created by undesired production subsist in the principal producing countries," one reads. Therefore one can count only on an increase in the "desired" production of oil, development of non-oil energy sources, and reduction in energy demand.

As regards oil, three hypotheses are arrived at. First, there is a "best case" (agreement between producers and consumers) in which the price of crude would increase by 2 percent per year in constant 1980 money, which would take it from $29 (the average price of French crude-oil supplies) as of 1 March 1980 to $32 in 1985, $35 in 1990 and $43 in 2000, which is the price of the most expensive synthetic oils. The Committee does not believe in any more optimistic scenario, with stabilization between $30 and $35 in constant money. The "worst case" hypothesis--the absence of producer-consumer agreement--foresees a continual reduction in supply that would fall between 250 million and 300 million tons per year. OPEC's production would thus fall to 25 million barrels per day (1,250 million tons per year) in the next decade. The tension thus caused would lead to a gradual price rise of 7 percent per year to 1990, bringing crude to $58, or 13 percent per year to 1985 ($53).

The high prices of oil will obviously spur the substitution efforts, which will bear fruit toward the end of the decade, with a better equilibrium in 1990. "It therefore seems more prudent in the worst case to postulate a maximum price of $55." For the risk of holding down production in order to maintain a high price remains strong.

Finally, there is the "very worst" case--that is, serious shortage for political and military reasons. But this, in the committee's opinion, is beyond its competence and is therefore only noted in passing.

As regards the other energy sources, the "best case" scenario has the price of coal rising by 1 percent per year, bringing it to $50 per ton, or $10 per barrel-of-oil equivalent, CAF [Cost-Insurance-Freight] Le Havre; to $55 dollars in 1990; and $61 in 2000. Until 2000, the price of electricity would remain in the same order of magnitude as at present. For gas, the rise is presumed to reach $3.50 per 1,000 cubic feet at the level of the competing oil products for the industrial user. In the "worst case," the rise for coal would be 3 percent until 1990, followed by a 1-percent rise until 2000, or even 5 percent to 1985 and then 3 percent subsequently. For gas and electricity, the evolution would be identical to the "best case."

How is one to react to such outlooks in France? That depends on whether the French economy remains open to international competition and whether the government decides on a 4-percent growth rate.

Recalling the recent evolution, the note stresses that all the French and foreign experts believe in the possibility of specific reduction of energy demand--more than 20 percent in some cases. But the decrease will take time and will be difficult to program. The evolution of the price of oil will play an important role in encouraging better use of energy.

The note presents a table of consumption which we reproduce below.

The Committee has assigned a working group to study the extent of oil-use reduction so as to reach a total of 100 million tons in 1985 and 90 million

tons in 1990, and arriving at oil demand between only 60 million and 70 million tons in the year 2000 (not including consumption fof other than energy purposes; with these other uses included, the total would be 70 million to 85 million tons).

Outlooks for French Energy Demand

(in millions of tons-equivalent of oil)	1985		1990	
	Worst Case	Best Case 4%	Worst Case	Best Case 4%
I. Energy Demand				
A. Pre-1973 demand	226	240	262	292
B. Decrease because of prices	194	231	225	273
C. Bigger voluntary reductions	182	215	211	243
D. Result of more rational use of energy (1)	32 to 44	9 to 25	37 to 51	19 to 49
II. Coverage of Demand				
E. Reduction of oil to minimum in 2000	100	100	90	90
F. Balance to be made up	82 to 94	115 to 131	121 to 135	153 to 183
G. Maximum national production of energy	76 to 79	76 to 79	106 to 111	106 to 111
Including:				
1 - Hydroelectricity	14 - 15	14 - 15	15 - 16	15 - 16
2 - Nuclear electricity	43	43	70	70
3 - National oil	2 - 3	2 - 3	3 - 5	3 - 5
4 - National gas	5	5	5 - 6	5 - 6
5 - Renewable energy sources	3	3	6	6
6 - National coal	9 - 10	9 - 10	7 - 8	7 - 8
H. Balance to be made up	3 to 18	36 to 55	10 to 29	42 to 77
I. Possible coverage of balance:				
1 - Imported gas	30	30	26 - 40	26 - 40
2 - Nuclear electricity	-	-	3	3
3 - Imported coal	20 - 25	20 - 25	30 - 40	30 - 40

(1) Differences A-B and A-C, giving the estimation of the result.

How to Make Up for Reductic of Oil?

It is obviously necessary to reduce total consumption of energy and detach it from the evolution of economic activity. The difference will have to be made up by other energy sources. This is where we arrive at the problems

that the government is presently studying. The Committee is counting on a marginal increase in hydraulic electricity (from 13.3 million oil-tons equivalent in 1979 to 14.2 oil-tons equivalent in 1985 and 15 to 16 million in 1990). For nuclear electricity, the margin of maneuver is nil between now and 1985 and small to 1990.

Exploration for national oil is assigned prior in the hope of production of 2 to 3 million tons by 1985 and 3 to 5 million tons in 1990. As for gas, it can at most be hoped that exhaustion of the Lacq deposit will be compensated for by other discoveries.

As regards the renewable energy sources, the report is relatively optimistic, envisioning an additional input of 6 million oil-tons equivalent in 1985 and 9 million in 1990 (from which the 3 million of the 1979 balance sheet is to be deducted) if all efforts are undertaken immediately. As for coal, the note speaks with great prudence. We present below a table on the supply and demand outlooks.

Outlooks for Evolution of French Consumption

(in millions of tons-equivalent of oil)	1985	1990	
Best case 4 percent	231	273	
Best case 3 percent	215	243	Modest effort
Worst case	194	225	
Best case 4 percent	223	258	
Best case 3 percent	210	233	Sustained effort
Worst case	184	213	
Best case 4 percent	215	243	
Best case 3 percent	205	223	Considerable effort
Worst case	182	211	

The figures obtained are based on the following elasticities:

	Price Elasticities	GNP Elasticities
Modest effort	- 0.3	1.0
Sustained effort	- 0.5	0.9
Considerable effort	- 0.3	0.7

These elasticities are derived from available statistical estimates. The spread from 0.3 to 0.5 expresses the uncertainty about the effect of prices in the medium term. As for the elasticity in the GNP, it reflects the effort to reduce consumption at given prices.

We stress, however, that as regards the penetration of coal, the report obviously insists on the necessity of increased action by EDF [French Electric (Power) Company], while at the same time taking the view that development of nuclear energy will necessarily reduce consumption after 1985. It also emphasizes the difficulties of penetration of the industrial market, and concludes that action by the public authorities is necessary.

In conclusion, the Committee considers that energy policy will be a function of the investments, and that it can and should be a use policy. However, no numbers are given for the investments required. On the other, hand, the example that the state and the local collectivities should set is stressed, as well as the priority given to the medium-term rather than the long-term (2000) objectives.

Finally, it is recommended that all available measures be taken. Likewise, it is accepted that national energy resources may be put into production at costs higher than the long-term international price of the various energy sources.

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BASQUE PROBLEM IN SOUTHWEST EXAMINED

Madrid EL PAIS in Spanish 8, 9, 10, 11 Apr 80

[Article by Feliciano Fidalgo, special correspondent in France: "Nationalist Ferment in the Northern Basque Country"]

[8 Apr 80, p 5]

> [Text] In the week of 23 to 30 March 1980 three attacks jolted the French Basque country, credit for all of them being claimed by the clandestine separatist movement Ipartarrak ("Those of the North"). One of these attacks cost the lives of two activists of Ipartarrak who had tried to place an explosive in the automobile of the wife of Bayonne's subprefect. This was the first time that nationalist blood flowed in the northern Basque country and the emotion aroused converted the burial of the two victims into a silent outburst of the Basque movement. Likewise, the creation of an autonomous parliament in the southern Basque country [in Spain] is sensitizing quite a few Basques of the north to the official attitude of the French Government which is premised on the nonexistence of a French-Basque problem. Our correspondent in France visited the three Basque provinces of the north to report on this new situation.

Paris.--"The French have fought all revolutions except their own. And they are still continuing. The other day actors Yves Montand and Simone Signoret, among others, were holding demonstrations before the Argentine embassy to denounce human rights violations in Buenos Aires. A few days ago President Valery Giscard d'Estaing called for self-determination for the Palestinians. General de Gaulle had shouted: 'Long live free Quebec!' But it did not occur to any of them to come here and listen to us Basques, simply to listen to us. If we had oil like Yasir 'Arafat [sic] or Ayatollah Ruhollah Khomeini it would be another matter." The one who relieved himself in this way was an "abertzale" [Basque patriot], a 37-year-old industrialist of the interior of French Basque country who uses a "nom de guerre," Chugit, to avoid problems.

This happened on Wednesday afternoon last week. In the evening, at the Institute of Legal Studies in Bayonne, Mr Haritchelar, professor of Basque language at the University of Bordeaux, attended a conferenc on bilingualism together with 200 other Basques, young for the most part, all of them favoring autonomy, and he complained that "already at the turn of the century a prefect in the Atlantic Pyrenees Department (the three Basque provinces belong to this French department) had asserted that there was no Basque country." Another member of the audience responded with irony: "But we are not complaining because things are progressing no matter how slowly. Now, 80 years later, President Giscard d'Estaing says that there is no Basque problem, which to some extent at least is tantamount to conceding the reality of the Basque country."

These two anecdotes epitomize the present situation in the northern Basque region: On one hand is the [French] central government, deaf to any specifically Basque evidence which would undermine the concept of the Jacobin state. And on the other, the "abertzales" activists, in a minority but more determined than ever to fight on all fronts: Political, economic, and cultural. "The death of these two patriots has served, first, to dichotomize us clearly and definitively: On one side are the 'abertzales,' and on the other the rest," a veteran dating back to the events of Baigorry, the village in which Ramon Arruiz, the slain pro-independence leader, an individual hailing from Pamplona [Spain] but naturalized French, was buried.

Official spokesmen fear a deterioration in the climate of coexistence in the northern Basque country but their interpretation of the facts is dogmatic and contrary to the aspirations of Basque activists: "They have already tried to kill me on two occasions and now they attempted to kill my wife in order to get at me," Bayonne's subprefect, Mr Biacabe, asserted forcefully. He complained that he was unable to talk to newsmen "because the Ministry of Interior forbade me to do so." Despite this we managed to have a short telephone conversation with him.

"I cannot see you or any other newsman, French or Spanish. However, I have many, a very large number of things to say even though I cannot talk. I am paid to work and not to make political declarations." "Was the attempt against his wife's life, or the Basque demonstration on the occasion of the burial of the two activists, or the counterdemonstration of the mayors not political?" [I asked]. "Put this question to Paris," the subprefect answered. On being reminded that in Paris the existence of the Basque problem is denied the subprefect reiterated that "Paris has to explain this matter."

The mayor and Gaullist deputy of Biarritz, Bernard Marie, did not have object to talking at length about the situation in the northern Basque country. In his view the autonomous parliament of the Spanish Basque country is not a reason to sensitize its neighbors: "They are two completely different cases," he noted. "In the southern Basque country no elections had been held for 40 years and now a majority demands autonomy. We are democratic and understand the fact even though we have to wait to see whether that autonomy

prospers at a time when the trend is toward broad communities. I personally feel that such autonomy is not good for the Spanish economy and that it will empoverish the Basque country. In contrast, the French Basque country has always been able to vote and has never sought autonomy. These extremists, or racists, or pro-independence people do not represent anything from a practical viewpoint. They, like the ETA [Basque Fatherland and Liberty Group--Spain], like the extremist movements in Brittany, Corsica, or like the Italian Red Brigades are struggling for ideological reasons but claim to be involved in an internationalist revolution. For them the nationalist aspect is a pretext rather than a motivation. In any case, should they one day become the majority by democratic means we shall grant them autonomy."

Bernard Marie, on being questioned about a possible French-Spanish "war" on account of the Basque problem, proved circumspect: "In the first place this is a problem involving the Madrid government and the Basque government that is to be formed. As far as the rest is concerned it is certain that there is some lack of understanding when French-Spanish problems are broached." The mayor of Biarritz does not believe that the extreme French right wing is guilty of the attacks against Spanish Basques in the northern Basque country: "In France there is no ultra right," he said. Recently, some "barbouzes" (hired killers) were arrested and they are believed to have been paid to eliminate refugees of the ETA (military wing), but Bernard Marie was of the opinion that "those arrested have nothing to do with this matter." Our interlocutor suspected that the attack which cost the lives of the two pro-independence activists was the first link in an infernal chain: "The government knows the identities of all of them and could eliminate them. But should this continue what I fear is that an attack such as that perpetrated the other day could be answered by others in similar manner."

Following the first blood spilled in the northern Basque country concern for the future is widespread even though the reasons or motivations are not always the same. The mayor of Hendaye, Mr Errecart, a Socialist, proved emotional and at the start his analysis did not differ from that of his colleague from Biarritz: "I am Basque, I have already reached my old age, but I have never heard anyone talk of the autonomy or independence of the French Basque country, with the exception of some tradition-bound politician. The majority of our fellow-citizens accommodate with complete ease their membership in the French community and their Basque ethnicity. Unquestionably, that same majority wishes that the Basque identity, that is, its language, culture, and tradition, be recognized. For that reason it is necessary that we be granted a cultural charter as was done in Brittany. Some also ask that the [northern] Basque country become a [French] department."

[9 Apr 80, p 6]

> [Text] The French Basque country is experiencing a crucial moment in its existence. The attacks, the first nationalist blood drawn, and the demonstrations of the last few days are

> assessed as a symptom, both by the [French] central authorities and by the nationalists, even though each of the two sides does so with diametrically opposite viewpoints. In face of the future the autonomy achieved by the southern Basque country represents an "example" for the northern Basque country which officials in Paris do not project favorable, especially for Spain. For the Basques, whether moderate or nationalist, contrariwise, "without the assertion of the south and gradual cooperation in every area with the north, there is nothing left for us to do."

Paris.--More than 200,000 persons live in France's three Basque provinces. Some 80,000 of them are of Basque origin. How many of these are nationalists or at least, in a limited way, sensitive to their identity? In the latest legislative elections in 1978 the Northern EHAS [Socialist Party of the Basque People], nationalist, won 5 percent of the votes. The fact of being a minority is recognized and even stressed by all the "abertzales": "For that reason," one of them explained to us, "when someone becomes aware of his national background he moves directly to a pro-independence position. There is no midway position here because in the economic, political, and cultural realms everything is stacked against us, easily manipulated by remote control by the central government."

However, computations originating from various Basque sources estimate that when the chips are down some 20 percent of the people feel to be Basques first and foremost and that between 10 and 15 percent of their elected representatives, without going as far as being pro-independence, defend the Basque cause. That is what Paul Dutournier, 69 years of age, mayor of Sare for 30 years, "a Gaullist when one had to be a Gaullist but pro-independence today, a Basque to the marrow but also French," and chairman of what in the northern Basque country is called "bieltzar des mairies du labourd," that is, chairman of all the mayors of one of the three Basque provinces of which Bayonne is the chief town, asserted to us.

Dutournier appeared to be concerned and personally grieved by the events of the last few weeks. "The other day I went to a demonstration organized by the authorities of the majority party in Bayonne against violence but I did not attend the burial of the two activists. I belive that I made a mistake because that demonstration should have been held against all forms of violence, that is, also against the violence which killed the wife of Juan Jose Echave and two other activists in the south. But a political production was made of this event, which distressed me."

The man spoke in a stream, expressing surprise at everything that is happening in the northern Basque country: "Only a week ago I would not have told you what I am telling you now. What is happening here is serious. This situation will blow up if things do not change. The government officials are not skillful. If it were not so everything would be settled but now I fear that

everything will become increasingly worse. What I shall say has been proven these past few days at important meetings: What is happening here is no longer the doing of exalted youths. The two dead activists are considered to be patriots. And now the 'abertzale' world is a force. The central government is unaware of the aspirations of the youth and of their elected representatives. There is a serious Basque problem and these elected representatives are starting to become aware of it. The young clergy is 'abertzale.' There is no cultural charter, the Basque country must become a department, and there must be a basis for a Basque economy. But Paris denies all this. Thus, the same thing will happen as in the south where the PNV [Basque Nationalist Party] without the ETA would not have achieved anything."

PNV of the North

Dutournier spoke of the PNV as if it were his "bailiwick." In the north "those who think like me favor the PNV. It is necessary to increase our linkages of all kinds. This is the only way we can advance." All "sensitized" Basques think so: "Without the support of and cooperation with the south we are lost, but if the southern Basque country progresses and does not forget us then we shall have won the game," was the opinion of an "abertzale," a member of the IZAN [expansion unknown] "abertzale" movement. Only in this way, both groups reiterate, will it be possible to check the strategy of the advocates of centralism.

Jacques Abeberry, an industrialist in Bayonne, editorial writer of ENBATA, and recognized as one of the most clearsighted ideologues of the nationalist movement, spoke about this indispensable cooperation between the north and the south and about the entire problem which, for the northern Basque country, is involved in its "war" against the central government in Paris. A few days ago the 20th anniversary of the founding of Enbata, the first Basque nationalist movement in the north, was celebrated. Eventually this movement was to produce the present weekly paper.

"We Are All Basques"

"We do not have a future without constant contact with the south," Jacques Abeberry asserted. "We can no longer expect anything from Paris. Everything from now on depends on how the PNV behaves vis-a-vis those of the north, taking into account the fact that we are pro-independence. The PNV's declaration was positive but it is necessary to put pressure on its leaders so that they may deliver on what they promise in all respects. One example: From an administrative viewpoint we are not even a department. For that reason we must institutionalize ourselves, at the level of the mayors, in the cultural realm, creating common economic entities, directing tourism to the north. Until now they have not made proposals to us. But we have: we have asked them that they help our 'ikastolas' (Basque-language schools). About 600 children of some 2,000 families attend them, training schoolteachers and even assisting us economically. For all these reasons, now,

a truly historic opportunity is presented to us such as Spain's entry into the European Common Market. The PNV should give a Basque reading of this decisive stage for Spain and for the Basque country. That is, the entire economic sector which is involved in this movement in the direction of Europe is something which those of the south would have to focus on considering that we are all Basques and that we are seeking the same goal."

[10 Apr 80, p 6]

> [Text] Yesterday, at a press conference held in Bayonne, four of the Basques questioned by the police on the day following the attack which cost the lives of two nationalist activists declared that they had been subjected to psychological pressures at the police station: The subprefect of Bayonne, they said, insulted them at Biarritz' police station while to frighten others the police exhibited "supposedly parts of the bodies of the dead nationalists." Violence in the northern Basque country: This is the headache which frightens, concerns, worries, or is considered logical according to who is doing the interpreting following the attack 2 weeks ago against the wife of Bayonne's subprefect and the death of the two activists, victims of their bungling it seems. For the representatives of the [French] central government there is no question that the two nationalists were trying to assassinate Mrs Biacabe [the subprefect's wife]. The "abertzales" roundly deny this charge. For the 15 priests who attended their burial the two patriots "are not criminals because they did not intend to kill."

Paris.--The "abertzale" weekly ENBATA published 2 weeks ago on its front page the picture of Jordi Pujol with the caption: "After the Basque country, Catalonia." And the corresponding front page displayed last week the photograph of the two "violent" youths, killed, whom the nationalist Basques already honor as a decisive symbol. Violence and legality--such is today's paradox in the "abertzale" world of the northern Basque country.

"The attack which cost the lives of the two youths was condemned by the people because the bomb which the two had tried to place in the [subprefect's] automobile could have exploded at the hospital or any other place causing indiscriminate deaths. But the action has sensitized many, so far indifferent, and has triggered a debate which is unprecedented in the Basque country." That is what a member of the IZAN movement (which is following the leadership of Herri Batasuna [United People]), who preferred not to give his name, explained. The same interlocutor added: "Armed struggle is necessary here to sensitize those responsible for our situation. These are the elected representatives of the Basque people. But that struggle must be highly moderated and no errors must be committed." Jacques Abeberry, editor of ENBATA, expounded at length on the matter: "It is ridiculous to think, as

the subprefect is doing, that the two youths were attempting to assassinate his wife. If that were the case they could have done so in 100 much easier ways. No, the activists of Ipartarrak are 1,000 leagues from the use of bloody violence. For this to happen many things would still have to occur. I recall that in 1968 the ETA decided to stage its first attack against persons, specifically doing away with inspector Manzanas, which happened after 3 years of intense discussions about the appropriateness of moving to the armed struggle or not."

Very Touchy Problem

Today in the northern Basque country violence is a very touchy problem as it is in the south at another level. Indeed, it is certain that the PNV would not have achieved anything without the ETA's action but it is also certain that the ETA would not have become radicalized if the PNV had not existed. What is lacking both in the south and in the north is that understanding on the complementarity existing between violence and the legal struggle even though I repeat that the parallelism has to be qualified given the different situation in the two Basque countries. We cannot allow clandestine entities to be the sole representatives of the Basque liberation struggle. We have to create the political-economic frameworks and structures that would translate the results of the violent struggle in everyday life.

Additionally, if the nationalists using violence were to be the only ones they would be isolated from the rest of the population in definitive manner. Now then, there is no example at all of national liberation without the unity of all forces at the last minute. For all these reasons the first blood spilled in northern Basque country represents an irreversible qualitative leap in our struggle. Already now nothing will ever be the same as before.

The presence of 15 priests at the burial of the two activists and the common memorial read by the officiating parish priest stands out in "abertzale" circles as a crucial fact in the history of the northern Basque country, a region of deeply rooted Catholicism. All the Basque "abertzales" bitterly complain that the French press, except for a few lines in a regional newspaper, completely ignored this event attended by nearly 2,000 persons among whom one found mayors and the senator--mayor of Cambo-les-Bains, Mr Labeguerie, who also attended a few days ago the first meeting of the parliament of the southern Basque country in Guernica. A priest who was at the Baigorry cemetery noted in connection with the attitude of the 15 [priests]: "We are here in the first place to accompany a bereaved family without reference to the reason for that grief, and then because there are 2,000 youths who represent the future."

Connections with the ETA

No one in the French Basque country says anything definite about Ipartarrak, the clandestine group which claimed credit for the attacks of the last few years against property but so far never against people. On many occasions

a newsman could say that his interlocutor of the moment belongs to that movement, but it is useless to try to verify the fact. It is also impossible to estimate, except that it is very much in the minority, the number of its members. Their anonymity was complete until the death of the two activists. Only on one occasion did they answer some questions in writing for the weekly EUSKATA, and this resulted in a series of vicissitudes. Few believe that Ipartarrak is a creation of the ETA in the northern Basque country. The most interested ones do not consider the matter to be as simple: "It is possible, even certain, that related organizations exist," most of them admit. Recently a thesis for a doctorate in law was written about nationalism in the northern Basque country. That dissertation held that if in the French Basque country violence has not escalated "it is because the ETA is not interested in it." Various "abertzales" whom we consulted concurred with that theory: "If they had been trained by the ETA," it is agreed, "they would not have committed the technical error typical of novices which cost the lives of the two activists the other day."

One of the lawyers defending Basque refugees from the south reiterated before the judges of the Bayonne court: "Be fair because one day it will be we who will want to take refuge there." This anecdote has currency today among the nationalists of the northern Basque country: "It is not possible to exclude the possibility that one day, in the same way that the ETA has enjoyed a base or sanctuary here, it is we who will find ourselves obliged to request that they receive us in the south. For the time being, however, "violence is not viable here."

[11 Apr 80, p 7]

> [Text] In the northern Basque country the "abertzales" who are closest to the ETA (military wing) flatly reject some recent reports which alluded to the possibility that one of the latter's future plans would consist in initiating a period of attacks in the French Basque country. "Not only does this seem completely unfounded but, additionally--at least in theory--the ETA is not even interested that Ipartarrak become radicalized here. For the time being the ETA's goal is in the south." Side by side with the ticklish issue of violence the French Basque nationalists are legally engaged in political, economic, and cultural effort whose goal tends to create specifically Basque structures which, "within 15 or 20 years, will result that we 'abertzales,' today in a minority, will be a majority among the Basque population."

Paris.--The inverse of violence, that is, the legal struggle, is the other front boosting that "qualitative jump" which the latest events have represented for the "abertzales" of the northern Basque country. "Besides the armed struggle a specifically Basque socioeconomic, political, and cultural plan

is indispensable. At the political level our immediate demand is for the [French] Basque country to become a department. At the economic level we have to develop the cooperatives and industries which create jobs to meet our needs and our standard of living. And at the cultural level we have to expand the "ikastolas" and draw up a cultural charter.

Political Opportunism

The issue of a department [for the French Basque country] is beginning to interest many people, even many opportunistic mayors who, at the sight of autonomy in the southern Basque country, are starting to suspect that it will have consequences in the north. As regards the economic plan, for example, we have created an association called Hemen (meaning "Here") slated to study the economic situation of the Basque country and to create 1,500 jobs. For that purpose an economic structure was established, namely, the Investment Company for the Creation of Employment in the Basque Country, whose capital we hope to obtain from the savings of Basques.

To Reactivate the Basque Language

The cultural aspect is primordial, especially the language spoken by some 50,000 Basque people, though even the "abertzales" hardly use Basque on a current basis. Given the political obstructions, today the greatest effort is channeled in the direction of the political struggle at the expense of the language and culture. It is a member of the aforementioned Hemen association who said so, adding: "This economic effort, with an impact on the most pressing daily needs, involves many people who are not 'abertzales' and thus, little by little, they are becoming aware." This economic-activist effort appears as patient work in the face of the multinationalism, tourism, and industrial development favored by the [French] central government.

Nationalism Against Multinationals

A few weeks ago, while a Basque economic project was officially halted, the authorities facilitated and subsidized the Japanese Sony company to set up a cassette plant near Bayonne. This is the great battle: Unchecked multinationalism against specific identities and their economies. That struggle will bring about the true cultural revolution of the close of the century," Jacques Abeberry opined. But the Basque "abertzales" say that they are aware but not frightened. "We do not reject a certain degree of industrialization originating from outside that would solve unemployment and obviate the need for emigration, the two endemic ills of the French peripheral regions exploited by the central authorities to dominate us. The danger would be constituted by imported labor but at the end of two generations everybody would be Basque."

"Tourism is what could kill us because it forces the emigration of the native population." On 30 March 1980 in Saint Jean de Luz a demonstration of 800

people in favor of jobs took place. A placard, simultaneously realistic and poetic but still typical in the Western world of regional demands, said it all: "We want to live, work, and decide in our country."

PHOTO CAPTIONS

1. p 5 [8 Apr 80]. For the Paris government the French Basque country, or the northern Basque country (shown in white on the map), does not even rate as a department. Rather, it is part of the Atlantic Pyrenees Department whose seat is Pau and whose subprefecture is in Bayonne. In the Basque region of the surrounding area there are 220,000 inhabitants and their principal resources are tourism, fishing, and agriculture.

2. p 6 [9 Apr 80]. Telesforo Monzon, exiled in Saint Jean de Luz until recently, one of the men supported by "abertzale" nationalism in the French Basque country.

2662
CSO: 3110

CIVIL MARRIAGE, DIVORCE LEGISLATION BEING PROCESSED

Athens I KATHIMERINI in Greek 14 May 80 pp 1,3

/Article by N. Gerakaris/

/Text/ The bill for amending the Family Law will be submitted to the Chamber of Deputies in the fall and in conjunction with a more general arrangement which will concern civil marriage and possibly divorce by mutual consent.

The above was announced by the Ministry of Justice which for the first time is taking a firm position in favor of instituting civil marriage, while, for the first time also, is mentioning the sanctioning of divorce by mutual consent.

As is known, the Holy Synod had requested an extension of the deadline /for submitting the bill/ in order to formalize and submit its views to the Ministry of Justice, while the Athens Bar Association is expected to submit its view any day. It would be impossible, therefore, for the Chamber's Recess Standing Committee to discuss the draft law since it is certain that the Ministry of Justice will present amendments to it.

According to a release they issued, many women's societies are asking that the bill submitted by the Gazis committee be debated as is.

The original cover report accompanying the bill's outline was signed by Athens University School of Law Associate Professor Andreas Gazis, chairman of the committee for drafting the bill, and included loopholes for amending other provisions of the Civil Law besides those which were finally included in the bill, such as the provision, for instance, that religious freedom (article 13 of the constitution) dictates that the convenience be provided for performing marriages between atheists and non-religious persons or between them and religious persons as well as among Christians and non-Christians, and that for satisfying such cases the civil marriage should be adopted without fail.

In the same report, Professor Gazis referred also to the following, in part:

1. The more liberal the law the more the marriage is reinforced. On the contrary, rigidity leads to illegitimate relations. Moreover, when the divorce index appears to be increased there is a simultaneous increase in the marriage index also. This is an additional reason for introducing civil marriage in our country whereby both the family and the marriage begin to be considered as private affairs about which the social whole has no opinion.

2. Marriage could and should be facilitated by eliminating certain obstacles especially those for which it is generally believed are no longer in consonance with modern social beliefs. Some of these obstacles are:

a. The third marriage. In these cases one of the marriages is voided with court collusion thus making possible a new marriage--a fourth one, actually.

b. The adultery obstacle. In certain cases the courts avoid imposing a penal sentence on adulterers as provided by one of the most anachronistic laws in order to eliminate this obstacle.

3. It is characteristic that the Church [of Greece] always allowed by dispensation the performance of marriages which were prohibited because of kinship or relationship by marriage, while it also bypassed the obstacle of the so-called "year of mourning."

Divorce by Mutual Consent

4. It is absolutely necessary to legislate divorce by mutual consent which is already being sanctioned by the courts and has been accepted by the judges and the judged. The Church, moreover, always and readily accepts the effort for reconciliation as having failed once it is established that both the husband and wife mutually agree on a divorce.

5. It should be noted that all these changes find application--in a more vigorous way, moreover--in most West European countries, while in the East European socialist countries the legal arrangement was always more radical even though in these countries there exists--as is reported at least--a greater austerity on morals.

In the same cover report which was never made public, Professor Gazis very strongly attacked the Penal Code which--as was characteristically pointed out--"was already in disagreement with the views that existed during the time it was prepared." The report underlined that:

1. During the decades that have passed since the Civil Code was adopted there has been considerable change in morals as concerns the relations between the two sexes and the status of women as well. With regard to women particularly, their technological development has given them the possibility for employment outside the home and the opportunity to

participate in the economic life, education, free professions and politics, while contraceptives are controlling pregnancies.

2. Other unacceptable barriers to marriage are: marriage between first cousins; marriage between two brothers and two sisters and, of course, marriage between those related by marriage--a barrier which should be limited only to preventing one from marrying the [widowed] wife of his son or his mother-in-law but allowing him to marry the widow of his dead brother.

3. Also, the baptism barrier should be limited only to marriage between godfather and godchild. Today it is illegal for one to marry his godchild's mother. It is worth noting that in the past there have been marriages performed without the husband and wife knowing before the ceremony that a barrier existed, that their marriage, in other words, was not legal.

7520
CSO:4908

INDUSTRIAL PRODUCTION INCREASE RATE DROPS

Athens I KATHIMERINI in Greek 16 May 80 p 11

/Text/ This year the rate of increase of industrial production has slackened and this is attributed to both the drop in real incomes and the slowdown in exports. The industrial production during the January-February 1980 two-month period shows an increase of only 2 percent compared to 9.2 percent during the corresponding 1979 period.

The /National/ Statistical Service issued the following relevant announcement:

"The progress of the production index for mines, industry, electricity and gas during February 1980 is as follows compared to February 1979:

"a. The general production index for mines, industry, electricity and natural gas shows a rise by 3.5 percent while that for mines shows a drop by 0.5 percent.

"The progress of this index was mainly influenced by the corresponding downward development of the quarry-construction materials and bauxite indices despite the rising development of the magnesite, lignite, iron--nickel and sulphite compounds--and barium sulphate indices.

"b. The industrial production index shows a rise by 3.5 percent. The progress of this index was mainly influenced by the corresponding rising indices of basic metallurgical products, electrical machinery and appliances, etc., oil and coal derivatives, transportation means, nonmetallic ores and foodstuffs despite the downward trend of the indices of chemical products, non-electrical machinery and appliances, footwear and wearing apparel items and rubber and plastic products.

"c. The electricity-natural gas production index shows a rise by 5 percent. More specifically, the electricity production index, too, shows a rise by 5 percent.

"On the other hand, during the January-February 1980 period the average change in the foregoing indices was as follows: a. The general production index for mines, industry and electricity-gas showed a rise by 2 percent. b. The production index for mines showed a rise by 0.5 percent. c. The electricity-gas production index rose by 3.3 percent."

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CSO:4908

EXPERIMENTAL POWER UNITS PLANNED WITH FRENCH

Athens I KATHIMERINI in Greek 16 May 80 p 11

/Text/ A wind-using experimental 100-KW plant for producing electricity will be installed in Greece on the basis of Greek-French cooperation. Also, on the basis of the same cooperation the installation is possible of another 50-KW experimental unit which will transform solar energy into electricity through the photo voltage /conversion/ method.

Both units will be installed on islands, according to an announcement made during the Greek-French scientific and technological meeting which discussed solar energy and which was organized by the Greek Scientific Research and Technology Service /YEET/ and the French Solar Energy Committee. More specifically, the 50-KW unit will be installed within the framework of the EEC programs.

The Greek-French scientific meeting which ended yesterday was successful. For the first time, many Greek specialists--more than 100--were updated by French specialists on solar and wind energy and cooperated with them during bilateral work panels following the relevant talks by French experts.

The Greek scientists and technicians as well as the representatives of the Public Power Corporation, the Hellenic Industrial Development Bank and YEET defined, in cooperation with the French scientists, the fields in which the cooperation between the two nations could be developed and which are:

1) Photovoltage conversion; 2) thermal production units; 3) solar greenhouses; 4) passive systems for housing and constructions; 5) active systems for housing and constructions; 6) wind energy; 7) use of biomass for energy production; and 8) measurements of the solar and wind potential.

For each of the above subjects various proposals for scientific cooperation were discussed. Greek and French specialists expressed their pleasure at the cordial atmosphere which prevailed during the discussions and for the proposals for cooperation. An agreement in principle was reached and the wish was expressed for an early examination of the rest of the submitted proposals.

The geographic and climatological conditions of Greece were especially stressed. It was pointed out that Greece is a land of special interest for solar applications not only for its own needs but also as a privileged test field for the development of solar technologies of interest to broad markets.

7520
CSO:4908

HOTEL ACCOMMODATIONS, STATISTICS REPORTED

Athens ATHENS NEWS in English 24 May 80 p 7

[Text] With summer already under way, the thoughts and dreams of most people and, especially, most Athens dwellers, turn to vacations. This year's high inflation rates, however, have affected the prices of all goods and services connected with vacations, thus making the year-long dream of spending a couple of weeks by the sea almost unattainable for the average family. Sharp increases in hotel rates, gasoline prices, air-and seafares, and restaurant prices have increased the cost of seaside vacations by an estimated 40 per cent over last year.

Greece has a huge tourist industry, comprising 3,750 units with 265,000 beds. Most of these units, however, were constructed with the affluent foreign tourist in mind, and are now priced out of the reach of most average-income Greeks. Below are the current hotel rates for this summer, for a double room with bath. These are the legal maximum rates per category, but, as most hotel owners make a practice of charging the maximum allowed, they should be considered the prices the summer vacationer should expect to actually pay. For each class, three figures are listed: the first includes breakfast only, the second is half-board before July 1st except in certain resort areas, and the third is half-board in resort areas and everywhere after July 1st:

1st Class:	1,302	1,872	2,102
2nd Class:	1,015	1,509	1,681
3rd Class:	667	1,121	1,231
4th Class:	552	970	1,057

These prices include service charge, but do not include government and local taxes which are, in most places, in excess of 10 per cent. It should also be noted that half-board is mandatory in most hotels, especially during the peak season. As the above figures suggest, half-board costs from 247 to 325 drs. a day per person, for one meal which might not even be the guest's choice.

Hotel rates, however, are not the only component of the cost of vacations which has grown more expensive in the last year. For those who intend to use their own car as transportation, gasoline has gone up by 4 drs. since last year, while highway tolls have almost doubled. For those using other means of transportation domestic airfares have gone up by 35 per cent, sea- and ferry fares by 18 per cent, trainfares by 15 per cent. Once you reach your destination, you will find that restaurants have increased their prices by 10 to 20 per cent since last year.

In spite of the higher prices, however, the Greek tourist industry is not free of troubles. Greek tourism is a highly seasonal business, deriving most of its income during the four Summer months. Most hotel beds have been reserved for the whole Summer, and some places, like Rhodes, Crete, Corfu, and some other islands are already completely booked up. Hotels in these areas, however, start accepting reservations in January, and some fear that, due to the international economic recession of recent months, some of the prospective European and American tourists might change their plans and cancel reservations, which would cause serious problems to the Greek tourist industry.

Another problem is that although, in recent years, the number of incoming tourists has increased, the amount of foreign exchange flowing into the country has remained constant, suggesting that tourists are now spending less per person. This is because, pressed by their own economic difficulties, tourists have learned to avoid all unnecessary expenses and because the big travel agencies that do most of the booking are of en able to bargain for rate reductions of up to 20 per cent.

It is reasonable to ask, under the circumstances, why hotel owners do not make an effort to attract more Greek customers and still base their business on foreign tourists. There seem to be some problems there, however, as well: the owners complain that Greeks seldom plan their vacation well enough in advance, and thus cause serious organizational problems with last-minute reservations.

For those who are seeking an alternative to hotels, apartments near the sea are available for rent in most seaside areas close to Athens. Their prices, however, are exhorbitant; a partly-furnished, two-room apartment by the sea goes for between 60,000 and 100,000 drs. a year. These apartments are usually offered for no less than a full year, with the entire rent required in advance, plus a security deposit for the furniture. Have a nice vacation if you can afford it!

CSO: 4920

PRESIDENTIAL CANDIDATES INTERVIEWED ON POLICY ISSUES

Reykjavik MORGUNBLADID in Icelandic 15 Apr 80 pp 12-13

[Text] MORGUNBLADID put questions to the presidential candidates in the elections to be held this summer. The following are the questions, and the answers given by the presidential candidates.

1) Are you in favor of amending the constitution to require that the presidential candidate must receive the majority of votes in order to be legally elected?

2) What is your position on the policy that has been followed in foreign affairs and security affairs since 1949? Are you in favor of Iceland's membership in NATO? Are you in favor of Iceland's defense pact with the United States and the presence of the defense force the way it is now?

3) In what way should the president of Iceland be instrumental in forming a government? Are you in favor of the president giving the leaders of the political parties authority to form a government in a certain chronological order, as has been the custom during the recent years; or are you in favor of different methods?

4) Have you served as a special representative of a political party, either within the party; or on councils or committees which are elected by the Althing; or on councils or committees whose members are appointed in a different manner, on behalf of political parties?

5) What are your views, in general, towards the office of the president of Iceland?

Albert Gudmundsson

1) Of course, it is preferrable that the person who is elected as the president of Iceland receives the majority of votes. This, however, is not absolutely necessary, and I can foresee considerable difficulties in conducting a second election. Moreover, there is always the danger that the goal would not always be reached with such an arrangement.

2) Just like the majority of the population, I am in favor of defense cooperation between the Western nations. The defense force in the country must, however, be considered as an evil necessity; but I am in favor of the policy that has been maintained in foreign affairs and defense affairs since 1949.

3) The president of Iceland must have the political insight to evaluate correctly how to approach the forming of a new government each time. Of course we have certain traditions to go by, but I think it is questionable to unconditionally adhere to those traditions in advance.

4) Those who know me, know that I follow the policy of the Independence Party; and, that I have for years served in many capacities within the party. I have served on committees for the Independence Party on the Reykjavik city council. At present I am the chairman of the Building Committee for the Aged; and I am a member of the Committee for Foreign Affairs, the Finance Committee and the Commerce Committee in the Lower House of the Althing. I am also a member of the Aeronautical Board. There is, however, no question which one I will follow, if put to the test, my conviction or the party policy.

5) I greatly respect the office of the president of Iceland. I look at this office as a symbol of the independence of the Icelandic nation.

The president of Iceland is the only Icelander who gets his power directly from the people. It is often said that the presidential office carries little power; and it is true that the president has not had many opportunities to execute the power vested in him according to the constitution and other laws of the land. However, if the welfare of the nation is jeopardized, and his integrity and conscience allows, he has the duty and the right to execute his power.

Gudlaugur Thorvaldsson

1) So far I think that the need for such an amendment has not arisen; and that it would be best to avoid double elections in order to obtain legal presidential elections, although it is feasible that the president receives the majority of votes. I think it is natural, however, that the committee which revises the constitution should seriously consider this matter, especially if there is discussion about changing the power sphere of the presidential office in some way.

2) The policy in these matters has been formed in a parliamentary manner and it is not in the power of the president to change it; and, furthermore, it is not feasible that he should have that power. During the last 3 decades, all the main active political parties in the country have participated in the various governments, which, in reality, have mostly followed an unchanged policy. There are doubtless valid reasons for this. The power struggle of the super powers is continuing and the conflicts in the world are not decreasing. Unfortunately, I cannot see that we Icelanders are able to change

directions in these matters at this time and I don't think it advisable under the present circumstances.

It is another matter, however, that the presence, for decades, of a foreign military force here in our country, with its small population, is in itself not feasible. I think that everybody would agree to that. It is, therefore, only a matter of course that logical and critical discussions should constantly take place about these matters and that Icelanders should be alert to foreign influence on their language and culture.

3) I do not think it possible to set firm rules about how the president should deal with forming governments, anymore than it is not possible to follow exact dictations about how to settle different views in wage disputes. The circumstances have to be evaluated each time and with regard to previous examples. The main emphasis must be placed on forming the most confident parliamentary majority government possible, in accordance with the outcome of the election. If there is no success in forming a majority government, it is natural that realistic possibilities for forming a minority government be sought within a moderate time period. In this connection the president must show tolerance in order for the democracy to run its course, because democracy is a time consuming method of governing. The president must also show firmness, so that the democracy is not downtrodden by conflicts among people. The forming of a non-political caretaker government must be considered if the forming of a parliamentary government is unduly prolonged. I am in favor of clear provisions being stated in the constitution regarding the president's power to form such a government, if necessary. In general, I think that the forming of the previous governments has been based on these principles, even though isolated acts of execution may be debated.

4) I have been appointed to many committees by ministers from all political parties, but I have never associated this service with politics. I can, however, remember only once being elected to a parliamentary committee which was the board of the Icelandic Science Foundation. This was quite a number of years ago, when Dr Armann Snaevarr, who was the former chancellor of the University of Iceland at the time, resigned from the board. My election to that board took place without me being consulted, but I felt it was my duty to accept because of my status at the university at the time.

I have never been a member of any political party. However, I was a member of Vaka, a society of democratic students, and I was their representative on the University of Iceland Students' Council during one winter when I was a student at the University of Iceland.

My work at the Statistical Bureau of Iceland, at the Ministry of Finance, at the University of Iceland and now most recently as the state mediator, has been of the nature that I have kept out of politics. I have the same views now as a candidate for the presidency. In connection with that I emphasize my neutrality toward political policies and parties; and, if elected, I will pursue that policy according to the best of my knowledge and ability.

5) The most difficult task the president of Iceland is faced with, in my opinion, is the forming of a government during critical times in internal affairs and foreign affairs. Integrity and firmness are necessary under such circumstances, in order for everything to go well. Besides, the president has many other duties according to the constitution, which by now are molded into a permanent mold and do not strain the president to the same extent.

Last but not least, I think that the presidential couple has an important role to play in increasing and strengthening mutual amity and trust among the Icelandic people, as well as between Icelanders and other nations. The presidential couple must, therefore, travel considerably aroung the country and visit other countries; and at the same time maintain Icelandic hospitality at Bessastadir [residence of the president].

Petur Thorsteinsson

1) I think that the nation can unite behind the president, although he did not receive the majority of votes in the presidential election. However, it should definitely be a part of the current revision of the constitution to examine closely whether the present regulations regarding the presidential elections should be amended to require that the president receive a certain minimum percentage of votes.

2) I am one of those who hope that the time will come when military alliances and military bases, everywhere in the world, will disappear. The power balance that was created in the world after World War II has contributed to the preservation of world peace. I think that the disturbance of this balance, which results, if states break away from either one of the most powerful defense alliances in the world today, would endanger the peace, due to the status of international affairs today. I, therefore, do not think that Iceland's membership in NATO should be interfered with at all under present circumstances. It is not desirable for any nation to have a foreign military force in its country, but hopefully the time will come, when it will not be considered necessary to keep a defense force in Iceland. Unfortunately, the state of world affairs today is such, that I do not think the departure of the defense force is advisable. It is, however, not the president's task to form the policy in these matters.

3) Each time when forming a government, the president must evaluate which method will give the best results in forming a majority government as soon as possible. There are other options to giving the leaders of the political parties the authority, in a certain chronological order, to form a government. I do not think that any certain method has become traditional in these instances.

4) I have never been a special representative on behalf of a political party. I have neither been active within a political party nor have I been appointed to serve on a committee or on a council supported by a political party.

5) The duties of the president of Iceland are much more complex and more important than people seem to realize. The role of the president has during the recent years been molded during peaceful conditions at home and abroad. However, provisions in the constitution allow for molding it in another way if necessary. Serious events may take place, for example a difficult government crisis or a state of anarchy; or serious crisis in international affairs. In cases like this, the president will seriously be put to the test and it is important that he have the experience to enable him to meet the difficulties.

Rognvaldur Palsson

1) Changes in the future are thinkable; but as the elections are near, I do not think changes are timely.

2) Some of it, not all. Yes, western cooperation. I am opposed to keeping nuclear weapons in the country, as well as stationing an American military force here during peace time; I am in favor of NATO operating recoinnaissance stations in the country, which gradually should be taken over by Icelanders, as they become trained and qualified to take over the operations.

3) I am in favor of the democratic regulations now in effect; and any member of parliament, who can prove that he is supported by a parliamentary majority, has, in my opinion, every right to receive authority from the president. No regulations related to party politics should intervene.

4) I have not served as a special representative in any party; but I have followed domestic and foreign politics as far back as I can remember. Based on my experience, I think that quite often they have spent too much time on trivial matters and overlooked the greater problems.

5) He should be the symbol of unity for the nation and strive towards settling the adverse powers in the society, wherever and whenever possible.

Vigdis Finnbogadottir

1) The idea deserves full attention and definitely should be considered regarding the future. It will, however, hardly be possible to put it into action before the presidential elections. I find it hard to imagine an Icelandic subject who would not prefer that the president was elected by the majority of the popular vote, nor a presidential candidate who would not wish the same.

2) According to the Constitution of the Icelandic Republic and traditions that have been established, the Althing and the cabinet have authoritative power in foreign affairs. I do not think that the policy making regarding those affairs should be within the power of the president of Iceland. Whoever serves in the office of the president of Iceland, will respect the law of the land in these matters, as well as others, and act according to the will of the majority, independent of personal views. In this respect I refer to what I have already said officially in an interview with HELGARPOSTURINN.

Everybody knows for a fact that during the past years the policy Iceland has maintained in foreign affairs has been controversial. I do not think it proper to drag the presidential office into these disputes. Whoever is elected as president, should try to settle our domestic disputes and act as a symbol of unity for the nation. I love this country and this nation; and I think it is of the greatest importance in the life of every one of us, that we are aware of the freedom to express our views among ourselves and in our relationship with other nation, independent of everybody else. I cannot tolerate, never have tolerated and never will tolerate any oppression of freedom of thought, anywhere in the world, to the east or to the west. I, therefore, refer the three questions to the nation, and today, as a presidential candidate, delcare my respect to the will of the nation.

3) There can be no absolute rule in that matter. The main rule, however, must be to follow the "chronological order" the nation has chose, that is to go by the size of the political parties in the Althing. That indicates democracy and I am and will be a democrat. Conditions may, however, arise during difficult government crisis where it becomes necessary to deviate from this main rule.

4) I have never been a member of any political party and have therefore never participated in party politics, neither on the "inside" or the "outside." In one instance a political party has suggested me for committee work. The party was the Peoples' Alliance who suggested me for a committee that allocates artists rewards. For years I have been opposed to appointing representatives from political parties to a committee so closely related to artists. I accepted the appointment after conferring with many of my friends who had various political views, one reason being to try to promote a change in this arrangement. I think it is one of the worst things possible that artistic and cultural affairs are dictated by political views. No other political party sought me out for this job, but in view of my above mentioned position, I could just as well have considered to be appointed to the committee for allocating artists rewards by another party, the Independence party for example. It is hardly possible to make outsiders of all of us in the country, who are not members of political parties. It should be mentioned that I have been entrusted to serve as a representative for Iceland on councils and committees abroad; and sometimes as a special representative in connection with that. For some years I have, for example, been on an advisory council on cultural affairs in the Nordic countries (RKK). I was appointed by the Ministry of Culture and Education in 1975, during the reign of the Independence Party and the Progressive Party. I was a chairman of this committee during its last term 1978-80 and reelected as chairman of the committee again in the beginning of this year by the Council of Nordic Ministers.

5) Sveinn Bjornsson, the first president of Iceland, formulated my idea of the nature of the office and the role of its holder, when at the founding of the Republic at Thingvellir he quoted Thorgeir Ljosvetningagodi: "If the law is divided, then the peace is divided." I only have one thing to add to that, that this is a man or a woman, who cultivates national traditions in close contact with the people, their past and present history, culture and language. As such he is also the leader of the nation and its representative abroad.

9583
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BRIEFS

ELECTION SYSTEM--Presidential elections. Absentee voting begins 1 June 80. Electoral registers for the presidential elections this summer will be presented 29 Apr 80, in accordance with a notification from the Ministry of Justice. The deadline for becoming a candidate for the presidential election expires 24 May and absentee voting begins 1 June. The deadline for filing complaints to communal administrations about the electoral register expires 7 June and elections day is Sunday 29 June. [Text] [Reykjavik MORGUNBLADID in Icelandic 19 Apr 80 p 2] 9483

CSO: 3111

MINISTER BRAKS INTERVIEWED ON AGRICULTURAL POLICIES

Amsterdam ELSEVIERS WEEKBLAD in Dutch 12 Apr 80 p 9

/Report on interview with new Minister of Agriculture, Eng Gerrit Braks, by correspondent Wim Brummelman: "Growth of Large Businesses Discouraged"; date and place not given/

/Text/ The European Commission proposes increasing agricultural prices an average of 2.4 percent. Our new minister of agriculture, Eng Gerrit Braks does not consider that such a favorable proposal. But he also does not think a price increase of 7.9 percent, which organized agriculture is striving for, is realistic and desirable for Dutch agriculture, which is heavily export oriented. "A somewhat restrictive price policy is definitely necessary to prevent production elsewhere in Europe from expanding so much, that as a result our relatively strong position is affected." Van der Stee was known for his tactical insight at the negotiations table in Brussels; Braks shows with these words that he is no stranger there either. An interview with the new minister follows.

The newly inaugurated minister of agriculture made a remarkable statement at his first get-acquainted meeting with the press. Braks said he wanted to make income restraint by the farmers dependent on the extent to which others in society are ready to be moderate. Well then, there are no "others" who want to do that. The fact that they kicked up a row everywhere against the Van Agt government's economy plans means that the farmers in Brak's Netherlands do not want to be moderate. However, that conclusion is drawn somewhat too quickly.

/Braks/ There is still wage control.

/Brummelman/ That is so.

/Braks/ It passed in the chamber.

/Brummelman/ If that was anything.

/Braks/ Then that would naturally have influenced my statement in the price discussion in Brussels. Then I would not have had the right to say that farmers, as a sort of exclusive group, should be moderate.

Everyone in society must make a contribution to economies, even the farmers. For all those reasons alone, Braks considers an average price increase for agricultural products of 7.9 percent, which was demanded by all the European agricultural organizations, unrealistic. Besides agriculture has to deal with many surpluses (dairy products, sugar) which require money. Those make a restrictive price policy all the more necessary. For as Braks emphasizes, the EC agricultural market and price policy must also create a balance between supply and demand. Such a balance will then have a favorable influence on increased income in the agricultural branch.

Braks says "you must consider the farmers' income over a somewhat longer period. The price restrictions as they take place in Brussels are not the most important factor for the income of the farmers and market gardeners. The market situation which we find is much more important."

As regards the latter, recent developments are not unfavorable. The increase of milk production in the community has more or less ended. And as regards sales, a commercial demand is noticeable for products such as dried skim milk, which up till now was being stored. Speculative purchases with oil dollars are partially involved in this respect. That has especially been the case with sugar.

But Braks warns, you have not solved with that the problem of surpluses and structural overproduction. A restrictive price policy is desirable. But that may not lead to price agreements being made which put antisocial income under strong pressure. The European Commission proposal (2.4 percent) shows some features of that.

A Farmer's Son

Engineer Braks (46) worked from the time he was 11-12 years old until he was 22 on his parents' farm in Odiliapeel in De Peel. In the sixties, he was secretary for some time of the NCB [North Brabant Christian Farmers Association], which is affiliated with the KNBTB [Netherlands Catholic Farmers and Horticultural Workers Union]. Consequently it is no surprise that Minister Braks was properly welcomed in BOER EN TUINDER [Farmer and Market Gardener], the KNBTB newspaper, as "Brabant Farmer's Son Succeeds Van der Stee."

[Braks] The connection with the KNTB because of my origin as a farmer and as a Catholic is more of a personal, emotional nature, than on an administrative and political basis. I do not have such a relationship with the organization, as, for example, in the case of Brouwer and Lardinois, who respectively were chairmen of the LTB [expansion unknown] and the NCB. I have always kept myself somewhat aloof, precisely to prevent my being forced to take a definite position.

In 1969 Braks was agricultural counselor at the Dutch representation in Brussels. He returned to the Netherlands 3 years later and entered the chamber. He generally supported Van de Stee's policy, as the CDA [Christian Democratic Appeal] parliamentary group's agricultural expert.

Van der Stee was always praised for his qualities as a negotiator in Brussels. But there are some people who criticize him for not doing enough for the independents in the Netherlands. Braks does not agree with the criticism. "He has done things with his fiscal-financial background, which some 5 or 6 years ago would have been considered impossible." The allowance for independents is an example. He had the courage to bring up for discussion a certain variation in taxation legislation. Perhaps what was expected of that has not happened, but still he sought very vigorously for means of adjusting taxation for independents.

Before he decided to say "yes" against the ministry, Braks made agreements with Prime Minister Van Agt about the latitude which he sought, within the social economic policy of this government, to do something for the independents, the farmers and market gardeners. A "consensus" was reached about that with the prime minister, but what that signifies, "I certainly cannot say here."

Purchasing Power

The minister rightly wants to forget that he was fortunate with the decision to maintain part of purchasing power with a general reduction of taxation (from which independents also benefit) instead of with a cost of living increase, which is only beneficial for wage earners. Besides this prevented the increasing taxes of a cost of living increase for workers in agriculture and related industry from finally being passed on to "the primary producers."

/Braks/ One may complain about the extent of the reduction, but I certainly do not consider this development unfortunate, within the given limits.

"Now that not enough non-agricultural employment is available, the policy must pay more attention to maintaining employment." Chamber member Braks said this last year in October during the discussion of the agriculture and fisheries budget. Minister Braks now says "my policy aims at keeping as many people as possible in agriculture." And with that his goal is to preserve as many family businesses as possible. "They must be modern family businesses, suited to the new production conditions. I do not mean by that the former small farmer businesses, let there be no misunderstanding about that."

According to Braks, it is important that agriculture be "freed from the vulnerability of the labor market." In other words, agriculture must be independent of foreign labor as much as possible. Temporary reverses can be absorbed better within the structure of family businesses. "That is of the greatest importance for the survival of Dutch agriculture."

/Braks/ My intention is to conduct such a market and price policy, that the goal of as many as possible modern family businesses is realized in the somewhat longer term. The dispute in Brussels is taking place about that. The organizational policy is directed at bringing to the desired level businesses which still are not complete family businesses, which still must develop. Generally the instruments for that already exist. Only I think at this time there are still too many stimulants for businesses which are already larger than my intentions for any further expansion.

Reduction

Braks made no secret of the fact that he wants to"discourage" businesses which are far above the size of a family business

from growing any further. He will remove the stimulants for this purpose (for example by "reduction of subsidies,") and besides he is also considering the possibility of "disincentives." However, he still does not want to say what concrete measures he has in mind in this respect.

Minister Van der Stee wrote a report about the size of agricultural businesses in which he says that setting maximum standards for their size within the community is not possible for legal reasons. Braks also is not keen about establishing absolute maximum standards and numbers, besides the general suggestion it must involve family businesses. About 80 percent of the agricultural businesses in our country produce various products. For that reason alone it is difficult to say that a farmer, for example, can only have X number of cows.

Besides--Braks declares, "I definitely do not want to set any limits because that has a strong tendency to immobilize organizations. That is very dangerous for a country with a strongly export oriented agriculture. Then the international competitive position is directly threatened." For the same reasons, the minister is an outspoken opponent of a quota system for milk production as a means to combat dairy product surpluses.

The preference for modern family businesses will also be reflected in the system of agricultural inspection, as it is announced in the bill for transfer of agricultural lands. Braks favors, not only for individual, but also for business reasons, reducing the number of potential buyers on the agricultural land market, "in which the weaker partners as well as the younger farmers will have priority."

The price of land in the Netherlands has dropped because of "announcement effect" of the Agricultural Land Transfer Law and also as an indirect result of the fact that agricultural incomes have declined somewhat in recent years. Some, such as chamber member Waalkens, VVD [People's Party for Freedom and Democracy], wonder whether there still really is any need for such legal regulation in that field. They want as little government interference as possible.

[Braks] "Of course there is talk of a change in the land market in certain areas. However, that remains definitely limited to some areas. The prices remain extremely high in other areas and only those with a lot of capital make offers. That

means that I see my goal slip through my fingers. Therefore I am not very receptive to a suggestion such as that of Mr Waalkens.

Honest

Consequently we will soon have an Agricultural Land Transfer Law. "The land market in the Netherlands is by definition strained. The need for regulations to effect an honest distribution continues to exist." In this connection, it happens that prices here and there may well have fallen, but that can again change. For, as Braks says, "I assume that agricultural incomes will increase."

The attention of agriculture and market gardening is now focused on the price negotiations in Brussels. The Council of Ministers of Agriculture has postponed the discussions about it for a month. At the end of 1779, the European Parliament intervened energetically by voting down the EC budget, because not enough was saved in agricultural expenses. Now the parliament has shown itself in an unfavorable light, by giving hopelessly vague and divided advice about the prices of agricultural products to ministers of agriculture. Part of the parliament wants an increase of 7.9 percent and another part wants no or hardly any increase. The two parties finally reached a meaningless compromise.

/Braks/ I am certainly disappointed about that attitude, precisely because I want to take this parliament so seriously. I would rather have seen it take a definite position. I would have gladly felt parliament's hot breath on my neck. But now there is a recommendation on the table, with which we as ministers can go in all directions. We all have freedom of action. I understand that well, the European Parliament must still grow. Consequently I hope that they are going to devote themselves in the future to improving their own internal decision making procedures.

8490
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CGTP LEADER FORESEES GREATER CONFRONTATION WITH GOVERNMENT

Lisbon EXPRESSO in Portuguese 10 May 80 p 10

[Interview with CGTP Secretariat member Jose Luis Judas by Pedro d'Anunciacao and Miguel Almeida Fernandes, date and place not given]

[Text] A definite hardening of the challenge to the government on the part of the CGTP [General Federation of Portuguese Workers] is what Jose Luis Judas, a member of the Secretariat of that trade union organization, promised us in the interview he granted EXPRESSO. It will be a hardening, however, as he himself also told us, which will stop at the gates of Belem.

For the leaders of the INTER [National Intersindical], it is important to bring down Sa Carneiro's cabinet. They are making the struggles they are pursuing more radical to this end. But the resignation of the executive officers depends on the will of the president of the republic. And, from what could be learned from this interview, that will will be respected. In a word, the challenge movements will be controlled in such a way as never to place Ramalho Eanes in a difficult position.

The invasion of Afghanistan, relations with the UGT [General Union of Workers], the next "labor packet" and the presidential candidates were among the other subjects discussed by Jose Luis Judas.

EXPRESSO: At the end of the 1 May gathering, a motion calling for a hardening of the struggle against the Sa Carneiro government was approved. How far might that hardening go?

Jose Luis Judas: Everything depends on the action of the government itself.

EXPRESSO: But in fact will there be a clear radicalization of your position?

Jose Luis Judas: In our view, the government has given proof of total disrespect for the positions of the workers' movement. There are

preconceptions on the part of some departments, such as the Ministry of Labor, in discussions with us. We even presume that the executive branch will try to gain ground in the political and electoral fields by making this situation more acute.

The very choice of the AD [Democratic Alliance] candidate for the presidency of the republic is designed to extend the clash between national life and the military institution.

The need for a response to all of this from the workers is obvious, a response which will come about through a more acute struggle on their part.

EXPRESSO: Will we have a new "hot summer" this year, then?

Jose Luis Judas: Since the government remains in clear complicity with the owners, protecting their most reactionary positions, it is natural that the normal conflict in collective bargaining will tend to be aggravated. We have no doubt that the problems will be resolved more through rupture than through negotiation.

EXPRESSO: Can this need for rupture which you feel lead to an effort to create the conditions for ousting the government?

Jose Luis Judas: We think in fact that the resolution of the problems of the workers involves the removal of the government.

Ousting the Government

EXPRESSO: But how can its removal be brought about?

Jose Luis Judas: The workers' challenge may create social instability such that the government itself (as happened, moreover, in Sweden) feels the need to resign or at least the sovereign bodies regard this solution as the best.

EXPRESSO: But for this the agreement of the president of the republic was needed.

Jose Luis Judas: The government could take the initiative in resigning. Otherwise, it would in fact be necessary for the president of the republic or the assembly to call for its replacement.

EXPRESSO: What attitudes will you adopt to oust the Sa Carneiro cabinet? Will you choose the path of rebellion? Will you call a general strike?

Jose Luis Judas: The path of rebellion as such will not be pursued unless strikes and other forms of struggle are regarded as rebellion. We can advance by means of a generalized challenge, forcing any government which has the intention of returning to this position to resign.

EXPRESSO: But will you force the president of the republic to the wall, in an effort to force him to dismiss the cabinet?

Jose Luis Judas: The question cannot be put that way. We will not push anybody to the wall. A situation resulting from the action of the government and the response of the workers may be created which will inevitably lead the sovereign bodies, and in particular the president of the republic, to replace the present executive authority. This can happen. Now, we have no intention of pushing the president of the republic to the wall.

Sectorial or General Strike

EXPRESSO: And how would this come about? For example, if there were a prolonged transport strike, a situation of chaos which would lead to the replacement of the cabinet might occur. Is this a possible scenario?

Jose Luis Judas: I have no idea if this imagined scenario, with a transport workers' strike, could actually happen. On the level of hypotheses, it is acceptable. And under the terms of the constitution, either the cabinet would ask the president of the republic to resign, or he, regarding it as imperative, and on the recommendation of the Council of the Revolution and the Assembly of the Republic, could possibly dismiss the cabinet. Democracy would not end if this happened.

EXPRESSO: What struggles can be pursued in the short run?

Jose Luis Judas: We will use all possible forms of struggle. Naturally, we will proceed with sectorial strikes when problems in this realm are involved. If there is a situation of challenge and opposition to the government on the basis of the campaign against the workers, which I admit has been developing, we do not reject the possibility of calling a general strike.

EXPRESSO: What are the sectors in which there are collective bargains in dispute which might cause a large-scale conflict?

Jose Luis Judas: Currently the most numerous are the textile and metallurgical workers, as well as civil servants. It can be said that about a million workers are involved in collective bargaining negotiations. In the transportation sector, there are pending situations, both with regard to the TAP [Portuguese Airlines], where the agreement which gave rise to the last strike has not yet been settled, and with regard to the national highways, with the problem of the classification of this sector as one in crisis. The railroads also have the implementation of the most recent agreements reached pending.

EXPRESSO: In terms of wage increases, the government has adopted a policy prohibiting increases of more than 20 percent. What increases is the CGTP proposing in the collective bargaining negotiations?

Jose Luis Judas: We are urging the reestablishment of living conditions and the improvement of the standard for workers. This was an electoral promise the AD made which is not being fulfilled, nor can it be with a wage ceiling of 20 percent such as the executive branch wants.

EXPRESSO: You referred a moment ago to the possibility of a general strike. For what reason were a number of UDP [Popular Democratic Union] posters referring to a general strike torn up at the time of the CGTP demonstration on 1 May?

Jose Luis Judas: I am not well-informed about what happened. In any case, I suppose that this must have been due to the fact that the slogan "General strike" was not a part of our program. I acknowledge that this was the reason some UDP posters were torn up on that occasion.

The President of the Republic

EXPRESSO: To what point might your radicalization go? In the PETROGAL case, for example, you refused to heed the civil demands. If there were a military demand, what position would you adopt?

Jose Luis Judas: First of all, we would have to know the specific circumstances in which this military demand would be made. But our idea is that an effort to make such a demand would always have in view the intention of the government to involve the president of the republic and the military in social conflict. And at this point we would have to see if in fact all of this undertaking and intent by the government would benefit or threaten the workers' movement.

EXPRESSO: There will be care then, not to enter into conflict with the president of the republic?

Jose Luis Judas: It is the strategy of the AD which is pointing toward a clash among the bodies of sovereignty, specifically the cabinet, the president of the republic and the Council of the Revolution. We will not contribute to this.

This does not mean, obviously, that we are abandoning the defense of the interests of the workers. In any case, we are persuaded that there will be no reason for a military demand.

EXPRESSO: Then you will take care to undertake the radicalization of your struggles in a very controlled fashion?

Jose Luis Judas: Precisely.

EXPRESSO: Do you defend bipolarization?

Jose Luis Judas: No. Bipolarization as a solution does not contribute to democracy nor to democratic life. It is necessary to take into account the interests of the middle strata of the population, the petite and middle bourgeoisie. A consensus for these strata of the population is not possible with a government which defends exclusively the interests of the business and large estate owners, with obvious neglect of the liberal and democratic sectors which exist between the AD itself.

United Action with UGT Base

EXPRESSO: One of the innovations of the most recent INTER congress has to do with relations with the UGT. In fact was there a more open approach on your part?

Jose Luis Judas: No, not with the UGT as such. We make a distinction between the organizations representing the workers, whether affiliated with the INTER or not, and the UGT itself. This organization was established on the basis of a political party agreement, which has no vertical structure nor any intersectorial or vocational representation giving it the dimension of a central trade union organization. The UGT is nothing more than a union of technical cadres with some service sectors.

This does not mean that there should not be unity of action among all the workers' forces. Moreover there has been concerted action among organizations affiliated with the CGTP, culminating moreover just recently in the PETROGAL case. There was dialog and concerted action between the Federation of Chemical Workers, the INTER and the office workers, belonging to the UGT. But this was in terms of workers' organizations.

The relations between the UGT and the CGTP are limited therefore to the specific struggles on the level of the workers' organizations.

EXPRESSO: How do you view the developments within the UGT, in connection with relations between the PS [Socialist Party] and the PSC [Social Democratic Party]?

Jose Luis Judas: We awaited the position to be adopted by the UGT this 1 May with considerable interest. And the conclusion we have reached is that the UGT has a position of complicity with the government, which was not the case last year in relation to Mota Pinto's executive branch. Now what is happening is that there is no harmony among the organizations which claim to be affiliated with the UGT and that organization itself. While other trade union organizations act in harmony with the secretariat, this is not the case with the UGT.

Moreover, what is happening in agrarian reform is not significant for the UGT. What merited comment by its leaders was the existence of a central trade union organization called the CGTP.

EXPRESSO: Mightn't the fact that a delegation representing the central Italian communist trade union participated in the UGT meetings be involved with your possible isolation with regard to future candidacy for the European Trade Union Confederation?

Jose Luis Judas: We have excellent relations with the central Italian communist trade union organization and there is nothing to prevent it from having relations with the UGT. But we did not invite anyone to come for the 1 May gathering.

Afghan Sovereignty

EXPRESSO: How do you view the possible boycott of the Moscow Olympic games?

Jose Luis Judas: We have no specific position on this announced boycott. But we believe that it is an error to endanger a sports event which has made its contribution to the closer relations among peoples and to detente.

EXPRESSO: This is in regard to athletics then. And what about the political events which led some countries to decide on such a boycott already, i.e. the invasion of Afghanistan by Soviet troops?

Jose Luis Judas: We have already taken a position on this. We believe the entire situation existing in that area, specifically the events in Iran, is one of concern. And we maintain the position, which is moreover set forth in the constitution, to the effect that each people has the right to choose its legitimate representatives, with full respect for its sovereignty and independence.

EXPRESSO: But you are not speaking of the specific case of Soviet troops in Afghanistan.

Jose Luis Judas: We are speaking generically.

EXPRESSO: Is there an implicit condemnation here of the stationing of Soviet troops in Afghanistan?

Jose Luis Judas: Everything depends on the conditions and ways in which these troops are there. What the reasons were and who solicited their presence.

Opposition to the "Labor Packet"

EXPRESSO: The CGTP distributed a communique stating that a "anti-workers packet" was being prepared at the Ministry of Labor in connection with the wage legislation revisions. Specifically, what does the INTER know about the matter and what position might be taken in the event that the legislation is in fact reviewed?

Jose Luis Judas: As far as we know, already in the days of the Mota Pinto government the minister of labor set forth the principles to guide the amendment of labor legislation, which is now being specifically sought. At that point a series of measures leading to the "Mota Pinto packet" were drafted, challenging aspects pertaining to the amendment of the dismissals and defaults law. In these terms, we think that the philosophy underlying the new packet is the same as that of the days of Mota Pinto. If this is truly the case, this is one of the main reasons for the challenge of the government.

EXPRESSO: What kind of challenge? On the basis of the collective contracts being negotiated?

Jose Luis Judas: This will be precisely one of the situations in which the interests of the workers go beyond the sectorial level, demanding a more generalized response.

EXPRESSO: And what response might that be?

Jose Luis Judas: I have already said, possibly a general strike, demonstrations, etc.

An Alternative Candidate

EXPRESSO: As has already been said here, Soares Carneiro is certainly not the Belem candidate most sympathetic to the INTER. Do you contemplate influencing the presidential campaign in any way?

Jose Luis Judas: It is still too soon for us to know that. Currently, there is a certain lack of definition on the matter among the democratic forces, on the left. We must await a clarification of the situation.

For the time being, we only hope that these democratic forces will find an alternative to the AD candidate. We are naturally prepared to contribute to this end. Particularly since these forces will have to take the demands of the workers' movement as a whole into account in the choice of their candidate. This is one of the conditions for credibility for them with the electorate.

Moreover, any candidacy will depend heavily on the result of the legislative elections themselves. It is even possible that if the AD loses these elections, Soares Carneiro will be replaced by a candidate making closer relations between the PSD and the PS possible.

EXPRESSO: One of the positions which could be taken in either of these elections is to give an indication by the vote, as was done in the last legislative elections, urging support of the parties of the left. Will you do this in connection with some candidate for the presidency?

Jose Luis Judas: It is possible, but it is still too soon to define any attitude.

EXPRESSO: You can also work in such a way as to encourage one of the candidates. Specifically, you could seek to enhance the image of the current president of the republic, through the actions you develop.

Jose Luis Judas: Currently, our relations with the presidency of the republic are based on its status as a sovereign body. It is not General Ramalho Eanes as an individual or the possible future candidate who is in question.

EXPRESSO: However, there has already been care on your part to avoid involving him in social conflicts, and to make him always appear to be a connecting link which has not been destroyed.

Jose Luis Judas: We have taken this care with regard to the sovereign body and not the person occupying the post. We have no intention of working particularly to develop his electoral image.

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CSO: 3101

EXTREME LEFT TRYING TO UNITE FOR PRESIDENTIAL ELECTIONS

Lisbon O JORNAL in Portuguese 16-22 May 80 p 5

[Text] The split in the FUP (Popular Unity Front) caused by irremediable differences in the assessment of the current political situation, the suitable type of intervention for the occasion and, in particular, the matter of the reformation of the front, may soon be reflected in the advent of two "FUP's," one without Major Otelo and another with Major Otelo.

However, the political organizations and personages that were of the opinion that the FUP accord was not being fulfilled do not exclude at the outset the possibility of backing the nomination of Otelo Saraiva de Carvalho in the presidential elections, by means of a political contract; although this question, which is not immediately posed, is still quite nebulous.

The idea of the FUP was started on 30 January of this year by Major Otelo, and the accord which gave rise to the front was concluded on 28 March.

The Question of Autonomy

A few hours after a press conference at which five FUP organizations and four independent ones described the positions of the strategy of 25 April as "irreducible," Otelo Saraiva de Carvalho told O JORNAL that he was going to approach the front with his plan for popular unity. The independents, in turn, Acacio Barreiros, Catalina Pestana, Luis Moita and Joao Pulido Valente, who resigned from the FUP's executive body, and five of the organizations that signed the accord which created the MES (Movement of the Socialist Left), PC (M-L)P (Portuguese Communist Party/Marxist-Leninist), PCP(R) (Portuguese Communist Party/Reformed), UC (Communist Unity) associated with the newspaper VOZ DO POVO and UDP (Popular Democratic Union), proposed the continuation of the plan to construct popular unity. In this connection, according to a communique released yesterday, 15 May, at a press conference, they decided to back the calling of a joint meeting next Sunday, 18 May, of all the existing entities for district coordination, in order to finishing discussing the issues still pending regarding political and electoral intervention. In the same document, they called upon Major Otelo to attend the aforementioned meeting. Labeling the political position of the other organizations, PRP

(Revolutionary Party of the Proletariat) and OUT (United Workers Organization) and the independents Manuel Serra (who was a leader of the FSP [Popular Socialist Front]) and Mouta Liz (who is a member of that entity's executive body despite the fact that he belongs to OUT), as "minority," the groups and personages who resigned place the main emphasis on the front's loss of autonomy. As we were told by Luis Moita, "Experience throughout these months of joint endeavor has shown that there were no facilities for the FUP, as such, to have its political, organizational and financial autonomy guaranteed."

Although there have never ceased to be some major political differences, at the present time the split is taking place over the question that dates back to early April, regarding the reformation of the FUP executive body. According to the organizations and independents that have resigned, Major Otelo was attempting to reform the executive body with individuals in his confidence and that of the OUT. Luis Moita claims: "Unfortunately, and it is all the more regrettable because Otelo is one of the individuals to whom the Portuguese people owe the most, Otelo Saraiva de Carvalho is no longer able to play a unifying role within the sector that is demanding popular unity."

UDP Does Not Exclude Backing for Otelo

We were told, in turn, by Manuel Monteiro of the UDP, one of the organizations which became dissociated from the FUP: "Dynamics exist for convergence that will make it possible to resume a unifying process and one for mass struggle." According to Manuel Monteiro, Otelo allowed himself to become involved in the organizations which are in a minority. However, the UDP does not preclude the possibility of backing Otelo for the presidential elections, or even for the legislative elections.

Manuel Monteiro told us: "UDP is continuing all its efforts to reach agreement with Major Otelo."

As for the role that the UDP might play in the pursuit of the new "FUP," Manuel Monteiro told us that it would be in keeping with the importance of that organization in the mass struggle; but he excluded any possibility of the UDP's playing the role of a leading pole or privileged driving force in the process of popular unity.

Otelo: 'I Am the Last Resort'

O JORNAL was told by Maj Otelo Saraiva de Carvalho, who held a press conference today, 16 May, commenting on the differences within the movement that was initiated on 30 January of this year: "I am not abdicating from heading the FUP's executive body."

Otelo assured us that he is "the last resort for decision" in the FUP and that, therefore, he would not accept party cadres in the executive body.

He denied favoring partisan movements (OUT and PRP) within the FUP, and described the accusations of the organizations which he labels Marxist-Leninist as "extremely tendentious and false."

He expressed the view that "the evils of the revolutionary left still remain," claiming that he "would approach the front with his plan for popular unity linked with the large working masses, against whom small partisan groups have no power."

To replace Catalina Pestana, Joao Pulido Valente and Luis Moita in the executive body, Otelo proposed Sergio Gracio, a former member of the PS [Socialist Party] and founder of the FSP, Jose Eduardo de Sousa, founder of the PRP, from which he resigned in 1974-75, and Jose Antonio Salema, a first cousin of Manuel Salema, his attorney.

The five organizations rejected the proposal and, according to Maj Otelo Saraiva de Carvalho, they made the counterproposal of Joao Martins Pereira, Adelino Gomes and Alcina Bastos. Otelo retorted that the first two had already been invited to join the executive body before the establishment, per se, of the FUP, and that they did not accept; and, insofar as Attorney Alcina Bastos was concerned, he considered her to be still a member of the MDP [Portuguese Democratic Movement].

The FUP's five parties then submitted the names of Nuno Teotonio Pereira and Eduardo Graca (both in the MES), and Jose Alcobia (UDP), whom Major Otelo categorically refused because they were party cadres; and thus, a stalemate situation was created.

This split took place on Wednesday night, and it was agreed that the FUP's political accord would be revoked and Otelo Saraiva de Carvalho would continue his plan together with Manuel Serra, Mouta Liz, the OUT and the PRP.

A Government Proposal

One of the FUP's acquisitions which those who resigned do not want to "lose" is a draft program which was devised by a team headed by Luis Moita.

Luis Moita told us: "It is a plan with features that are simultaneously daring and sensible, inasmuch as it manages, through strategic and tactical proposals, to achieve compatibility between the necessary prospect of thorough change with the realism that the situation requires."

According to the communique which was disseminated yesterday morning at the press conference, "Just as FUP practices a policy of popular unity, it is engaged in an extensive policy of unity in the leftist area." This position was reportedly not well received by Mouta Liz and Manuel Serra.

With regard to the draft program, the document also states: "In order to defeat the right wing bloc, it will be essential for the combined leftist

forces to submit an alternative for government before the elections." As we were told by Luis Moita, "We do not believe that the path toward this is the interparty alliance. There must be mediation for leftist unity. The system that we propose is that the three combined leftist forces (PS, APU [United People's Alliance] and FUP) reach an understanding regarding the need for a government of democratic unity, and reach an understanding regarding the independent personage who should be the future prime minister. It would be this personage who would establish bilateral negotiations with each of the political party forces concerning the program and composition of the government. If those negotiations prove conclusive, each political force would be bound by the electorate to indicate the name of that prime minister to the president of the republic. The FUP's draft program has now provided the concrete, feasible conditions for making this type of government possible."

At the same press conference, the newsmen were given copies of a communique approved by consensus in the FUP's executive body, which stated: "In view of the speculative analyses published in various reactionary media on the identification of certain demanding actions on the part of the so-called 25 April Popular Forces imposed on leftist sectors, it is specifically asserted that only the right wing benefits from confusing 25 April with the marginal, minority violence, so as more readily to erase from our people's collective memory the revolutionary and democratic significance of that date."

2909
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ASDI LEADER ON LEFT-OF-CENTER ELECTORAL ALLIANCE

Lisbon O JORNAL in Portuguese 9-15 May 80 p 6

[Interview with Servulo Correia, ASDI (Independent Social Democratic Association) leader, by Fernando Antunes; date and place not given]

[Text] In the first major interview that ASDI has granted to a news organ since it started forming an electoral front, Servulo Correia, one of its most prominent leaders, claims that the dynamics of the increasing erosion to which the PS [Socialist Party] has been subjected recently can only be halted and reversed if the front proves to be a new factor on the Portuguese political scene. Servulo Correia thinks that, if Ramalho Eanes is objectively regarded as the citizen in the best position to defeat the AD's (Democratic Alliance] "head guard," and to thwart the coup that is under way against the democratic regime, he should be the candidate backed by the front. In an interview conducted by Fernando Antunes, the ASDI leader emphasizes that there is no possibility of rapprochement with the AD, which is the organizational backer of a political plan that is incompatible with the social democratic ideology.

O JORNAL: The press recently printed some brief statements of yours regarding the establishment of the ASDI as a party in the near future. Does it now meet all the requirements for the official institution of a new political force? Is the occasion of its initiation possibly related to the timetable for the start of the front with the PS?

Servulo Correia: The filling of the social democratic void left empty by the PSD's [Social Democratic Party] subjection to a strongly conservative line is a goal that would be necessary even if the formation of the front that has been cited proved to be unfeasible. What has, in the opinion of ASDI members, made the reestablishment of a party loyal to the social democratic plan more urgently necessary is the approach of elections which, as we said in 1979, will be far more important than those held then, and from which we must not remain dissociated. But it is also true that our participation in an electoral front, if it should occur, entails a prior formal institution of our party. And I would prefer that the most important part of the negotiations take place after that formal institution.

[Question] Then should we conclude that the ASDI has not yet been established as a party because it does not have the necessary signatures?

[Answer] Actually, we have not yet collected all that we need, because good judgment dictates that we appear before the Supreme Court of Justice with a number somewhat larger than the minimum legally required. There is no reason for any great alarm, because the goal that we desire is not far off. But it would be unfortunate if all those individuals who can still fill out forms for our appearance before the Supreme Court were convinced that such help is no longer necessary. The period is a crucial one on several counts, and a final effort on the part of everyone is warranted. Hence, I appeal to them to do so, specifically, at our headquarters at Fala-So Crossing, with telephone number 370720, where those who understand the magnitude of what is at stake can also obtain forms to give to friends and acquaintances to sign. The signing of those forms does not represent an act of affiliation, but only recognition of the fact that we have a place of our own, and that our intervention as a party would be beneficial to the future of Portugal.

The Front Will Be Able to Aid the PS in Finding Its Center of Gravity

[Question] Could the front possibly be formed as early as May?

[Answer] It would be desirable, but it is too soon to consider such an event as certain.

[Question] From your first remarks, would it appear presumable that there are no alternatives for the ASDI-party other than the front with the PS and other leftist forces?

[Answer] Without the slightest desire to be sarcastic about a very serious matter, I would say, rather, that, unless it wants to be subjected to the possibility of a worsening of its latest electoral results, it is the PS which has no alternative if the front is not formed. And, without the ASDI, I do not think that the front would have any great chances of regaining an electorate from the AD....

[Question] Dr Servulo Correia was the first ASDI leader to publicly uphold the notion of a political front, including the PS and UEDS [Leftist Union for Socialist Democracy], specifically, in addition to its own organization. From the way in which you are expressing yourself now, should we conclude that you have changed your mind? Or is it the way in which the negotiations are proceeding that has left you so pessimistic?

[Answer] I am still firmly convinced that, at least for a few years, Portugal can only be governed with political and social stability in an atmosphere of freedom and progress based on the left-of-center and the democratic left which, by their nature, are a realm open to dialog and integration, by means of example and indoctrination of closely related areas which can be recovered for a plan of political, economic and cultural democracy.

As for the way in which the negotiations are progressing, it would be rude of me to make a statement just now for the purpose of a critical analysis. On the other hand, I shall devote a few moments to the manner in which the ASDI views the front. From the standpoint of the real political factors, it cannot be equivalent to a "PS + independents" solution. We are not unaware that the PS will be by far the most powerful member force, and solutions which overlook that starting point would suffer from lack of realism. But it is also a fact that the dynamics of the increasing erosion to which the PS has been subjected recently can only be halted and reversed if the front proves to be a new factor on the Portuguese political scene, endowed with a logic of its own, capable of surmounting the main misfortunes that have affected the high esteem in which the PS was held. The PS is a great party, which contains in its collective conscience the most lofty values and desires that we can find today in Portuguese society. But the compartmentalization of its chain of command is complex. And there has been a persistent tendency on the part of some of its leaders to overestimate the immediate aspects of the party struggle to the detriment of a long-term, autonomous strategy based on a realistic view of the prospects for progress in the Portuguese society. The front will be able to aid the PS in finding its center of gravity in an enlarged area in which the combination of many dispersed energies can instill self-confidence and a creative spirit. But the remedy will require of the PS a sincere desire for change....

The Sacrifice of Individual Pride and Clan Loyalty

[Question] Isn't that desire for change associated with a certain style of engaging in politics?

[Answer] The dynamics of the front will have to help dispel from the scene both personality conflicts and the mentality of cronyism. The PS partners in the front will certainly demand the sacrifice of individual pride and clan loyalty for viability and credibility in the eyes of the public toward a consistent policy of a moderate leftist type. Thus, the instruments for a democratic victory will have to be given absolute priority. For example, if Ramalho Eanes is objectively regarded as the citizen in the best position to defeat the AD's "head guard," and thereby thwart the coup that is under way against the democratic regime, he should be the candidate backed by the front. If, in order to maintain the function that the presidency of the republic has been discharging, as an organ suited for asserting at all times the demands of the political conscience of the majority of the Portuguese people, and hence a factor for national unity and social integration, Ramalho Eanes cannot be a party candidate (as that of the AD is), no contract (or exchange of letters typed on the same typewriter) should be imposed on him. He should only be required to clearly enunciate his political program for the new term in office, which is to be maintained along the left-of-center line which has been his own, and which will accept the backing offered it from the democratic sector.

If, in order to convince the public that the democratic left and left-of-center are capable of governing the country well, and to prepare an innovative government action in time, it should prove necessary to form a shadow-government, the front should establish it, even if some illustrious personages have to be kept in reserve. Such a government would have to be homogeneous, young, competent and imbued with a deepseated spirit of mission.

[Question] Does the homogeneity that you mention entail a sacrifice of some "sentiments" to others?

[Answer] The government that I have in mind should include individuals with different positions in the spectrum of the democratic left and left-of-center. Its homogeneity would be the result of the generalized capacity for combining an ideological viewpoint attuned to the front's basic guidelines with a redoubled spirit of initiative and competitiveness in the good performance of a concrete endeavor, and a resolute disposition enabling it to unhesitatingly withstand the demagogy of the opposition, and to repel the pressure from those favoring patronage and deals. Obviously, the resolute attitude cannot interfere with the open spirit of dialog, which is completely lacking in the vast majority of AD rulers. And the selection of the members would have to be based on their ability to work as a team, with a spirit of solidarity and loyalty.

A Bipolarizing Plan of a Semi-Conspiratorial Nature

[Question] How would the program of the shadow-government be devised?

[Answer] I think that it should be that government which prepares it, in accordance with the guidelines that would necessarily be contained in the political document which would bring about the establishment of the front. And, in addition, the government program would have to be approved by the front's deliberative organ.

[Question] Is there any truth in the report released last week by a weekly publication to the effect that Drs Magalhaes Mota and Servulo Correia were drafting an ASDI counterproposal for the front's political manifesto?

[Answer] After considering jointly the basic features of such a document, the committee establishing the ASDI assigned the task of drafting it to Prof Sousa Franco and Dr Antonio Rebelo de Sousa, who should have it almost finished by now.

[Question] What would the composition of the "Socialist Alliance's" deliberative organ be?

[Answer] It is too early to discuss that topic here. But one thing seems to me to be certain: Exceeding the limited viewpoint of a "PS + independents" requires that the PS not hold the absolute majority in the front's

deliberative organ, although it deserves greater representation therein. The same reason also prompts us to exclude the name "Socialist Alliance" for the front which, to the ordinary voter, would clearly signify the absence of a real qualitative change. This is without overlooking the fact that we in the ASDI conceive of social democracy as a path to democratic, humanistic socialism, as stated in the program of November 1974, which the PSD repudiated in word and deed, and with which we have remained identified.

[Question] At the beginning of this interview, you indicated that the ASDI has other alternatives, in addition to inclusion in the front that we have been discussing. Do they include rapprochement with the AD?

[Answer] That possibility does not exist. Since the beginning, our political action has been guided by the goal of establishing in contemporary Portuguese society a fundamental consensus on the values and the rules of the democratic process. Only in this way will it be possible to "Europeanize" and "social-democratize" Portugal. Unlike the situation in more developed European countries, in Portugal there has not yet been a satisfactory solution to the problem of relations between the political society and strong, old institutions such as the Church and the Armed Forces, and the integration of the remaining sectors of the old upper classes of the pre-industrial era, the new working classes and the new business-owning social groups into that society. In the countries wherein it succeeded, social democracy meant the integration of all those sectors through a consensus regarding the institutions and the reformist methodology, and an "agreement on fundamentals," which narrowed the margins of the radical right and left wing sectors, and which reduced to a minimum the political controversy based on a struggle between good and evil; in other words, the partisan struggle taking place in an area of acute ideological differences and a confrontation of irreducible factions predisposed to using undemocratic means of dominating the adversary.

'A Government Counting on the Coup d'Etat'

[Question] Since when have those ideological differences appeared in our political scenarios?

[Answer] Fairness dictates that recognition be given to the correctness of our perception and our charge, as early as 1977, that a bipolarizing plan of a semi-conspiratorial nature had been established and was starting to be carried out, involving certain national and regional heads of the PSD and CDS [Social Democratic Center Party] and other sectors of Portuguese society, even including a group of reactionary right-wing military men meeting in a counterintelligence center who, from then on, made war on us without quarter through the entire right wing press. We opposed that plan from the outset, without bothering to ascertain whether, by so doing, we were putting an end to political careers or even personal peace of mind (a peace of mind that we did not experience , for the same basic reason, but under outwardly opposite circumstances, throughout the years 1974 and 1975). Today, the facts

attest to the complete justification for our struggle. We have had the deliberate sabotaging of the chances for an agreement on the constitutional revision between the two leading parliamentary parties.

[Question] And what about the government?

[Answer] We have, in fact, a government which, instead of consolidating the democratic institutions, is counting on the coup d'etat. We have as a presidential candidate a general with a Latin American profile, who is confusing with the nation the partisan sector from which he has come (thus implicitly projecting the political forces which did not start his candidacy as "antination"), and who, at the outset, has agreed to the violation of a Constitution which he would be bound to defend if he were elected. We have again the state apparatus monopolized as a tool for domination by one faction, and for its perpetuation in power (observe what has occurred with the unbelievable bill for the Electoral Law, with the news media nationalized, with the purging of the heads of the central administration and managers of the public sector of the economy, and with the search for pre-electoral backing of foreign governments, at the cost of a desirable autonomy in our foreign policy and the basic interests of the national economy). This type of "clan state" must be viewed with great concern, because it is typical only of Marxist-Leninist or fascist-oriented systems. In the liberal state, the bourgeois hegemony results from the social structure and not from the political organization, which is open, and allows for alternation in power.

In brief, the AD is the organizational backer of a plan for social and political confrontation that is incompatible with the social democratic ideology and with the type of European society that we want to be. Since its nebulous origins, the AD has had us as a resolute adversary, and we shall continue to be such.

Candidate Being Taken From the 'Attic of Antiques'

[Question] Then should we assume that, after the elections, the ASDI would be opposed to the possibility of a political accord between the PS and PSD?

[Answer] A distinction must be made between the PSD and AD. The AD is the materialization of a bipolarizing plan which, by its very nature, imposes a government with a strongly right wing aspect, the refusal of consensus (pejoratively termed "undecided") and the exclusion and destruction of the PS. Hence it is obvious that the AD will always cause a thwarting of an accord with the PS, even though, with regrettable hypocrisy, it is now holding talks as a family with a "new look," speaking about "maximum possible consensus," or sending messages to the PS, but at the same time that General Soares Carneiro is being taken from the "attic of antiques."

The idea of a political accord between the PS and PSD is different, and obviously entails the abolishment of the AD. We consider that idea a constructive one, and we would do everything to help implement it. But it is clear that, in order to be viable, it would require substantial changes in the

leadership cadres of the PSD and a deepseated action for the social democratic political training of its rank and file, part of which would not be able to withstand such a process.

[Question] Throughout this conversation of ours we have not yet focused on the PCP's [Portuguese Communist Party] position on the Portuguese political scene at the present time. However, it cannot be ignored. For example, one can read in certain news organs that, in an audience granted to ASDI leaders, Ramalho Eanes stated the intention of running again as a candidate. How would you view the need for PCP votes in the runoff election?

[Answer] I was not at the audience that you mentioned. Speaking strictly for myself, I would say that the viability of such a second candidacy would depend on objective conditions, some of which do not seem to me to be totally clear at present. In this connection, it is superfluous to stress the importance of the position that will be assumed by Dr Mario Soares who, in my opinion, may now be about to embark on a new phase in his political career which will naturally be assured him by election to the presidency of the republic in 1985. Everything depends on his not making any serious mistakes from now on.

[Question] But, returning to the PCP, do you think that the logic of the bipolarization includes the Communists?

[Answer] Insofar as the PCP is concerned, it is obvious that its position will criticized in all manners and fashions by the right wing propaganda, in relation to both the legislative and the presidential elections. The gist of the right wing propaganda will surely be the notion that whoever wants to defeat the AD will have to have votes from the PCP. In fact, the logic of the bipolarization includes this: The AD is attempting to perpetuate itself in power by setting up the PCP as its only alternative; that is, an impossible alternative, because it is rejected at the outset by a vast majority of the Portuguese people. But that strategy reveals mere electoral interests, and it could prove to be disastrous for the future of our children. If, when confronted with a conservative government, the PCP should set itself up as the only credible opposition, it would gradually progress in Portuguese society until the day when it would gain unequaled strength. Moreover, this is the game of the old PCP leaders who are currently joining with Dr Sa Carneiro in a strategic convergence aimed at the destruction (specifically, by a subordination and division between the PCP and AD) of the left-of-center and the democratic left.

Uninhibited Attitude Toward the PCP

[Question]In your opinion, what is the advisable antidote for the "convergence" that has been mentioned?

[Answer] As I see it, the response to this strategy includes not only a denunciation of the rashness and hypocrisy that underly it, but also, and primarily, an uninhibited attitude toward the PCP. If we discern the situation

correctly, it will not have great leeway for maneuvering in the near future, and it may be objectively forced to make the strategy of the left-of-center and the democratic left viable (even begrudgingly), without any commitments in the latter area except respect for the institutions whichare innate in it and which do not need any concessions to the PCP in order to come into being. When confronted with an AD overtly disposed toward the coup d'etat (which it calls a transition to the Fourth Republic, whereas a better term for it would be retrogression to a virtual Second Republic) and a front comprised of socialists, social democrats and other republicans, could the PCP assume any attitude resembling its participation in the overthrow of Dr Mario Soares' first government? I think not, without becoming completely discredited and causing serious upheaval within it. Therefore, it will simply have to be demanded of the PCP that it not impede by its type of vote the solutions of a moderate left, without giving it anything in exchange except (and this is no small thing) the defeat of the AD.

[Question] With the AD defeated, what would happen then?

[Answer] Very likely, the defeat would soon be followed by its disintegration and the emergence from among its members of social democratic and liberal sectors which have felt increasingly unhappy in it and which could fill the moderate, stabilizing area that is in urgent need of consolidation and development. And, without any qualms about the PCP, the front should launch a moderate policy which would balance, with the interests of the workers and the maintenance and streamlining of the present public sector, all the guarantees, not only legal, but also those related to credit and technical backing for the development of private enterprise creating wealth, and real conditions for relative autonomy in the face of the excessive pressure from abroad. If it manages to carry out a program of this nature, it will not be the platitudes of communist and right wing propaganda that will deter the front, or deprive it of growing support from the Portuguese people.

2909
CSO: 3101

CATALAN SOCIALIST LEADER ON MUNICIPAL PACT, OTHER TOPICS

Barcelona LA VANGUARDIA in Spanish 6 May 80 p 10

[Article by M.S.D.: "PSC--Satisfaction with the Municipal Administration"]

[Excerpt] The Socialists of Catalonia are prepared to support even though with a critical viewpoint the municipal agreements drawn up following the elections of 3 April 1979 and to pursue a policy of Socialist administration of the municipalities.

That is what the first secretary of the PSC-PSOE [Socialist Party of Catalonia-Spanish Socialist Workers Party], Joan Reventos, stated at the closing ceremony of the Municipal Working Days which this party held over the weekend at the Palace of Congresses of Barcelona. Reventos, in his speech, made a survey of the municipal policy pursued by the Socialists this year, noting that despite difficulties "our overall evaluation is positive."

Joan Reventos added that "the continuity of the pacts is assumed by the entire party but they must be maintained with the same critical sense as that of the most recent period."

At another point in his speech Joan Reventos mentioned that the PSUC [Unified Socialist Party of Catalonia] is very often tempted to carry out a corporative municipal policy, "more attentive to trade union and minority interests than those of the city in general." As for Convergencia, Reventos said "that it has evidenced itself to be insensitive to the measures demanded by unemployment in our cities and incapable of making administrative reforms."

On his part Joan Comas, national secretary of municipal and provincial policy, anticipated that the Socialists will demand more strictness and coherence from the other parties in power: "We shall not tolerate that they should claim to be the government and the opposition at the same time and that they should not be wholly responsible for the decisions of the municipal government."

In short, the municipal policy of the PSC-PSOE has these three goals: "Improvement of local finances, administrative reform, and decentralization of municipal activities."

On his part the mayor of Barcelona, Narcis Serra, advocated the drafting of a new local government law and requested a "policy of Socialist administration." Elements of this policy would be, in Serra's opinion, the stated local government law, pressure to achieve the presence of the municipalities on the board of directors of the Banco de Credito Local [Local Credit Bank], and the serious negotiation of the public transportation problem among others.

The mayor of Barcelona stressed that "the central administration continues a strategy of overwhelming the municipalities because it does not have municipal power," specifying that "the Socialist response is not efficient enough...since we Socialists do not find the means for sufficiently energetic response which the lack of government municipal policy would demand."

Trade Union Victory

The Socialist evaluation of its municipal activities was done as the party federations already begin to discuss the reports to be made to the party congress.

The struggle that will ensue for control of the PSC's governing organs in the congress to be held early in July 1980 has seen some change regarding the lineup of forces established earlier. This change had its origin in the victory of the UGT [General Union of Workers] at the trade union elections of SEAT [Spanish Passenger Car Company, Inc.].

2662
CSO: 3110

OIL CONTRACT WITH VENEZUELA SIGNED BY PETROLIBER

Madrid ABC in Spanish 30 Apr 80 p 37

[Text] PETROLIBER [Iberian Petroleum Company] signed an agreement with the Venezuelan Petroleum Company, Inc., under which the latter will supply the former 0.5 million tons of crude oil a year, to be extended and increased in successive years.

A delegation from PETROLIBER chaired by Emilio Sanz Hurtado met last week with the president of Venezuela, Luis Herrera Campins. This fact assumes special relevance considering that it is the first time in many months that the Venezuelan president has met with Spanish businessmen. The delegation also met with the Venezuelan minister of development and energy.

There was discussion at the meetings about the possibility of increasing oil business between Venezuela and PETROLIBER and exchanging technology. The Venezuelan authorities showed themselves to be very interested in the plan for the expansion of PETROLIBER's La Coruna refinery which includes a catalytic cracking and burned coke facility with total investment of $200 million.

PETROLIBER was the first Spanish refinery (1977) which initiated the processing of its products increasing light oil byproducts, processing which other refineries do now.

The 500,000 tons which Venezuela will sell to PETROLIBER represent 25 percent of the freely available share of the Spanish firm, a percentage that will increase in future. Following its expansion, the La Coruna refinery is one of the most qualified to process heavy crude oil and to obtain light oil byproducts.

2662
CSO: 3110

CONSUMER PRICES FOR MARCH INCREASED 0.5 PERCENT

Madrid YA in Spanish 1 May 80 p 5

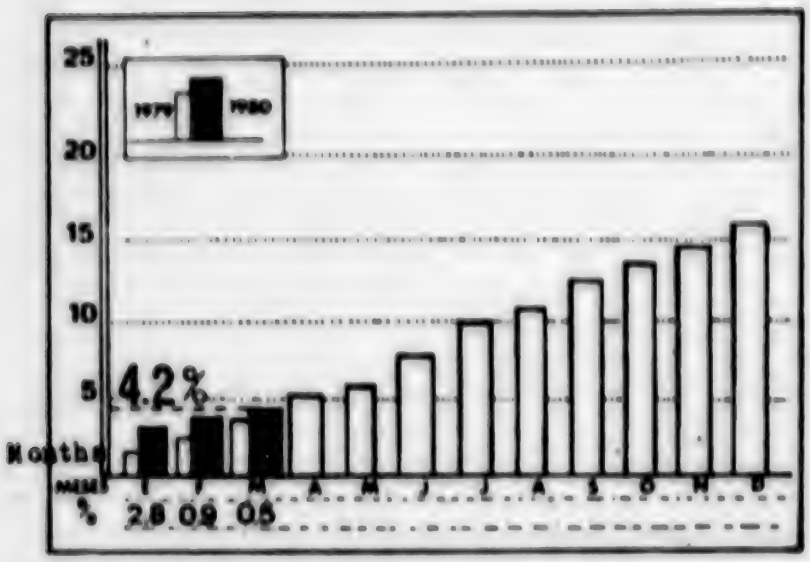
[Text] The Consumer Price Index [CPI] increased by 0.5 percent in March 1980 according to the provisional data released by the National Statistics Institute. With this increase the rise in the CPI reached 4.2 percent in the first quarter of 1980.

In March 1980 the price fluctuations of the groups which made up the CPI were as follows: Food, beverages, and tobacco, -0.2 percent; clothing and footwear, +1.7 percent; housing, +0.5 percent; household articles and home appliances, +1.2 percent; medical services, +0.6 percent; transportation, +0.4 percent; clutural items, +0.5 percent; other expenses, +1.4 percent.

In the first quarter of 1980 the evolution in prices of the groups mentioned ranked as follows: Foodstuffs, beverages, and tobacco, +1.5 percent; clothing and footwear, +3.4 percent; housing, +7.9 percent; household articles, +4.3 percent; medical services, +3.2 percent; transportation, +6.9 percent; cultural items, +2.2 percent; other expenses, +8.3 percent.

Again in March 1980 the CPI made it clear that the control of inflation achieved positive results only in the foodstuffs sector where prices dropped by 0.2 percent. The industrial field and that of services was more chaotic as is demonstrated by that 1.7 percent increase in the prices of clothing and footwear, the highest rise of the month, or that in household articles and home appliances with an increase of 1.2 percent, exceeded by the group of "other expenses."

Consumer Price Index



2662
CSO: 3110

SENATE COMMITTEE TOURS U.S. BASES

Istanbul TERCUMAN in Turkish 16 May 80 p 4

/Text/ Ankara: Sadettin Demirayak, RPP Senator from Aydin and a member of the Senate Inspection Commission, has stated that "The Belbasi installation even determines the power of the dynamite set off in the quarries near Mr. Ecevit's home at OR-AN."

Answering the questions of a THA /Turkish News Agency/ correspondent concerning the inspection tour that the Senate Inspection Commission made of the U.S. bases and installations in Turkey, Demirayak said that the listening posts at Sinop can even register the conversations of the commanders of the USSR's Kiev aircraft carriers and stated that American colonels, even, are able to enter the weapons depots only with special permission.

In summary, Demirayak spoke as follows:

"First of all we went to the Belbasi facility. According to what we were able to learn -- which our own officers told us -- the Belbasi facility is about to be turned over to Turkey. Deep wells have been dug at Belbasi. With the instruments that have been placed in those wells, explosions all over the world can be registered.

"Thus, in one aspect, they monitor the SALT agreements. For instance, there are stone quarries near Mr. Ecevit's residence at the OR-AN development. They can even monitor the force of the dynamite set off in those quarries. We have Turkish officers and Turkish soldiers in these facilities, but there are no Turkish personnel working at the instruments themselves.

"Afterwards, we went to Sinop via military plane. It's a totally military airfield there. We saw the rooms for receiving guests there: the names of famous American soldiers have been given to the top rooms.

"Later, we were taken into the most secret areas. A non-commissioned officer took us inside after attaching a tag to our collars, just as in entering the National Assembly. After being trained in language, Turks will be admitted here as well. The Sinop base is primarily oriented toward listening activities. For instance, they are able there to pick up every sort of conversation on the Soviets' Kiev-class aircraft carriers. All the conversations are encrypted. They can record all the utterances of the ship's commander. This data is sent to the United States, and, if there is something in the conversations that concerns Turkey, they relay it to us.

"Since there has been a certain amount of hesitation on the matter of Incirlik, we were very careful there. It has a single runway. In the control tower there are both Turkish and American technicians. For instance, it is Turkish technicians who give permission for Phantom planes to take off. Moreover, according to the information given to us by Turkish officers, since a landing by an armed airplane would cause great danger for the people there, landings by planes with weapons are not permitted. Even if a plane with arms comes from America, it can't land until it drops its weapons into the sea. There are also very strict security precautions in the sites where the nuclear weapons are stored. For instance, while we were there, the non-commissioned officer on duty at the depot didn't allow an American commander into the depot. Later, the colonel signed a list that was brought, and he was able to go in with us. These hangars are able to withstand attack by even the most powerful weapons. They are constructed from a mixture of steel and concrete.

"As for Pirinclik, it is an installation devoted to space research. For instance, there they are able to monitor completely the operations of the Soviet Sputnik space vehicles. Again, the data obtained is relayed directly to the United States. I asked the commander in charge why the data wasn't given to Turkey. The Turkish officer in charge there answered that "In a Soviet attack on Turkey, a rocket launched from there would reach Turkey in two minutes. We have no capacity to defend against this."

9173
CSO: 4907

JP PARLIAMENTARIANS DEMAND ELECTORAL CHANGES PRIOR TO ELECTIONS

Istanbul GUNAYDIN in Turkish 13 May 80 p 5

[Text] Ankara (Special) -- While Justice Party [JP] General Chairman Demirel and other administrators are calling for early elections, parliamentarians belonging to this party are seen to be demanding changes in the electoral process first and proceeding with early elections after this has been accomplished. A significant number of JP members of parliament share the view that before holding early elections, the electoral system must be changed to allow the large parties to win more seats. While early elections will create anxiety among some members of parliament about not being reelected before serving 4 years, political circles note that this is a common anxiety and that the top JP administration may undertake a serious effort to change the electoral system before going into early elections. Since the decision for early elections requires passage of a law by parliament, the thoughts of parliamentarians on this point bear great importance.

JP Parliamentarians' Words

Four JP parliamentarians with whom we spoke expressed their views on early elections as follows, in summary:

Karem Sahin (JP Agri National Deputy): I personally would like early elections. However, the existing statutory problems will not be resolved. For this, changes must be made in the election law and the constitution. I am in favor of elections as soon as possible.

Ahmet Buldanli (JP Mugla National Deputy): When parliament is deadlocked by national conditions or the democratic system and if the constitution offers no other way of solution, then there are great benefits in calling elections.

Sukru Meto (JP Rize Senator): Early elections are mandatory for resolving Turkey's political instability. If parliament, being unable to elect a president, fails to overcome this or is ineffectual even if it does, early elections will be necessary. However, early elections were called in 1977 and produced no results. For this reason, debate is needed on whether it is early rectification of the electoral system or early elections which is required.

Mustafa Kemal Aykurt (JP Denizli National Deputy): The opinion is widespread that parliament cannot function with its present compostiton. This is of concern both to us and to our citizens. Holding early elections, in my opinion, would return parliament to a functioning state.

Status of Other Parties

The Nationalist Action Party, which is even as strong for early elections as the JP, apparently does not favor direct amendment of the electoral system, however. RPP parliamentarians, meanwhile, do not seem to take the JP's call for early elections seriously, but will certainly stand for changing the electoral system if forced into early elections. The National Salvation Party, as is known, maintains that problems such as the presidential election and passage of social legislation should be taken care of before early elections.

8349
CSO: 4907

ERBAKAN SCORES JP, DISCUSSES PRESIDENCY, BILLS

Istanbul MILLI GAZETE in Turkish 14 May 80 pp 1, 11

[Text] Ankara Bureau -- NSP [National Salvation Party] General Chairman Necmettin Erbakan said at a press conference held during the group meeting in the Turkish Grand National Assembly that the JP [Justice Party] had been holding up parliament's work ever since it came to power.

Noting that the JP minority government was constantly reducing the value of the currency and causing suffering to the peasant, the worker, the tradesman and low income groups, Erbakan later said in his capacity as NSP leader that a president must be chosen as soon as possible then the minimum subsistence deduction law passed.

Erbakan continued as follows:

"Parliament has done no work for approximately 3 months, no one has performed his normal duties.

"Although the JP is a ruling party, it has been holding up the work of parliament since January, even before the budget.

"For months, the JP has not sat in on the sessions to put on the agenda the bills which the NSP is trying to get on the agenda and for which our entire nation is waiting, and thus it is holding up steps to assuage somewhat the hardships which millions are suffering today.

"Mr Demirel is constantly making terrible reductions in the value of money and still, in parallel with this, makes terrible increases in the prices of everything while blocking, in contrast, all of the steps that would alleviate the suffering of millions of the nation's peasants, workers, civil servants, tradesmen and retirees. Our nation is in the grip of a full-blown crisis. Although he looked the nation in the eye 6 months ago and promised for 10 days that the minimum subsistence law would come out at the latest along with the budget, let alone passing it along with the budget [as published]. Although it has been approximately 2.5 months since that day and the time is quickly approaching when the Assembly would recess under normal

conditions, he is not budging from his position and is being completely thick-skinned about the suffering of our nation's citizens.

"As if this were not enough, parliament has been preoccupied for the past 50 days with the presidential election and even though this election must be concluded as soon as possible, he goes on being hardheaded for another month. You refuse to leave with the elections at the boiling point in order to go to Tito's funeral and then, in addition to voting by your absence from the Assembly as the JP on a good many days for a month, do not hesitate to expound such gems this time as 'Let us take care of everything else after the presidential election, if there are 200 ballots.'

"As opposed to the negative, patronizing attitude adopted by the JP on a matter of such extreme importance as the presidential election and on placing on the agenda our very important bills concerning the suffering of our people, our nation is closely watching the great effort that our NSP is making both with regard to bringing the presidential election to a conclusion as soon as possible and placing on the agenda and enacting the laws for which our people are waiting in distress, and every kindness of our nation has been bestowed upon the NSP.

"Now at this important point, we consider it an obligation to the people to make two important efforts as the NSP.

"One of them is to ensure the election of the president as soon as possible, and the other is to pass as soon as possible some of the very important, imperative legislation for which our people can no longer afford to wait, primarily the minimum subsistence deduction law.

Presidential Election

"Today is Tuesday, 13 May.

"Today, we will do everything we can to get results.

"We are calling on the JP and the RPP to cast all the votes of their parties for their own candidates on the first ballot this afternoon.

"The JP and the RPP should get ready to perform their duties and those in the other big block should do everything they can to carry out the duties that fall to them.

"And with this kind of mighty push, a significant and historical effort will have been made to obtain results on the second ballot today in the presidential election which has been stalemated for 50 days.

Minimum Subsistence Deduction Law

"We are determined likewise to take a significant step forward with regards to putting the minimum subsistence deduction law on today's agenda also and passing it on Thursday.

"We, the National Salvation Party, have been trying for 4 months to enact a single paragraph of the minimum subsistence deduction law to put a stop to the suffering of our people and to eliminate the heavy, unjust taxes cruelly extracted from our low-income citizens, workers, civil servants, tradesmen and peasants.

"The JP has blocked our putting the bill on the agenda. We are determined to get our minimum subsistence deduction bill on the agenda by holding a meeting of the National Assembly after the joint session of the Turkish Grand National Assembly today and to enact this bill into law by holding another session of the National Assembly on Thursday. This nation has a parliament to take this step despite all the hardheadedness and condescension of the JP. This parliament feels the hardships our people suffer just as they do and we want to show our beloved people that it has the drive and ability to take the steps needed to resolve them.

"No one must doubt that we will take the same rapid action before parliament recesses for the legislation as soon as possible of the following [as published] vital, pressing bills we have drawn up.

8349
CSO: 4907

REACTIONS TO EVREN'S SPEECH APPEAR

Istanbul CUMHURIYET in Turkish 15 May 80 pp 1, 9

[Text] Ankara (CUMHURIYET Bureau) -- Chief of Staff General Kenan Evren's call for the conclusion as soon as possible of the presidential election drew reactions yesterday in political circles in the capital. Political observers, pointing out that the election had taken on a new dimension with this statement, noted the intensification of political traffic in the capital city.

Prime Minister Demirel said in a statement to the JP[Justice Party] Joint Group, "Let's not lose our cool. My friends must not let their patience run out. They must not be affected by outside pressure and propaganda."

Demirel's Statement

JP General Chairman Demirel began his statement to the joint group of his party by saying that 14 May was an historic day. "It is wrong to consider the chief of staff's declaration cause for a lot of associations. I see no need for any interpretation but this: there is no excuse for the failure to elect a president. However, it would be wrong to overlook the present constitution and TGNA [Turkish Grand National Assembly] arithmetic and start making accusations," he said.

Demirel later noted that the "job does not get done by saying: Come on, let's elect a president." "This election has its setting and its rules. Its setting is the TGNA. Its rules are set forth in the constitution. Everybody is equally as obliged to abide by this setting and these rules as we are," he said. Demirel said at the conclusion of his statement that the JP's strategy and tactics had been openly set forth and said, "I repeat: my friends must not let their patience run out. They must not be affected by outside pressure and propaganda."

Bilgic's Answers

JP Deputy Chairman and presidential candidate Sadettin Bilgic responded to the question of what he thought about Evren's statement by saying, "One must not look for a lot of things beyond the real meaning of the reply

which the chief of staff gave to questions about the failure to elect a president." When asked if there would be a change in the tone of his candidacy, he said, "Appraisals of this sort, whether by the chief of staff or by anyone else, will not change our position. I am not a presidential candidate by myself as a person. I am a presidential candidate with the assent and support of the parliamentary group of a political party, of the deputy chairmen of the group and of two political parties."

Ustundag's Statement

RPP Secretary General Mustafa Ustundag, asked his views on General Evren's statement yesterday morning, told a CUMHURIYET reporter: "Demirel is fanning the flames of the crisis. He thinks democracy is his gambling den." Ustundag's statement yesterday morning was as follows:

"In demanding discussion among the leaders for the presidential elections, we are not saying there should be no consultation with the groups or debate in the groups. We have the best example of unity as a group in the Assembly. But we also suffer some wastage. JP General Chairman Suleyman Demirel's thick-headed, inconsistent talk is not the solution. It does no good. We believe that certain people in the JP will have the common sense to see certain truths. Demirel is fanning the flames of the crisis."

Ustundag, in explaining his views to the CUMHURIYET correspondent, said that Demirel was "sick," that he thought only of himself, that he thought "democracy was his gambling den" and that the press was a mere spectator of the parties. "We are all spectators," he said.

NSP Spokesman

NSP [National Salvation Party] group spokesman Sener Battal echoed the desires of the chief of staff, stressing that "the nation, from the most humble citizen to the chief of staff, now wants a president elected and the houses of parliament to return to work." NSP Deputy Group Chairman Ihsan Kabadayi, however, said, "In multiparty parliamentary regimes, there can be no suggestion of force or intervention from any source. The great Assembly comprehends its duty in this sense. No one whould worry, it will elect the head of state." He said that they were involved in a lot of different efforts.

Contacts

Speaker of the Assembly Karakas and Deputy Speaker of the Senate Unaldi visited acting President Caglayangil at 1530 yesterday at Cankaya and talked for almost a half-hour with him. Karakas and Unaldi informed Caglayangil of the parliamentary activities and of the methods to be followed to conclude the presidential election as soon as possible, it was learned.

RPP General Chairman Ecevit visited Speaker of the Assembly Karakas and talked a while. Ecevit said of the meeting, "It was one of the discussions we always have." In answer to questions about Evren's speech and recent developments, he said, "I do not wish to comment on anything." Asked whether Batur's candidacy would be withdrawn, Ecevit replied, "Nothing has changed for us."

8349
CSO: 4907

BIOGRAPHIC DETAILS ON TURK-IS LEADER; INTERVIEW

Ankara YANKI in Turkish 12-18 May 80 pp 6, 7

[Interview with Turk-Is President Ibrahim Denizcier: "34 Years in Unionism"; his photo featured on cover of magazine]

[Text] When his family came to Istanbul from Yugoslavia, they certainly had no idea that their son, born in 1923, would one day be a famous union leader. Like the children of all low-income families, Denizcier began working in a (metalworks) factory at age 15. In 1946, he began working at the monopoly factory and also became active in trade unionism. In those days, unionism was still in the background for Denizcier. In addition to his job, he also played soccer for the Kirikkalespor, Fenerbahce and Besiktas teams.

In 1952, he was a founder of the Nakliyat-Is Union [transport workers union] and served four terms as vice president and president of the Istanbul Union of Trade Unions. A member of the Turk-Is [Turkish Confederation of Labor] board of directors for 20 years, Denizcier was both a founder of the Turkish Tobacco, Intoxicants, Food and Ancillary Workers Union and its president since 1952. He was elected president of Turk-Is at its General Assembly in 1979. He also sits on the executive board of the International Confederation of Free Labor Unions.

Denizcier is a unionist known also for his political activities. He was a founder of the pre-1971 Turkish Labor Party but later left it when the party passed into control of the Aybar faction. Since then, he has held the view that Turk-Is should form a party to defend workers' rights in parliament. He rejected the Justice Party's proposal that he run for national deputy.

Deniscier is a unionist who had good relations with DISK [Confederation of Revolutionary Worker Unions] during Kemal Turkler's presidency. In those years, he attended and spoke at the general assemblies of DISK and the Turkish Mine, Metal, Metalworks and Machine Industry Workers Union and was known as a unionist within Turk-Is having the best relations with DISK.

Turk-Is President Ibrahim Deniscier answers YANKI's questions:

Question: It is said that no progress has been made in the collective labor agreement negotiations you are conducting. What is your collective bargaining policy?

Answer: Collective labor bargaining in the public sector usually takes place in even-numbered years. And this time, 15 of our large unions are conducting collective agreement negotiations. One would normally expect the collective bargaining, which began on 1 March 1980, to be concluded in something like 2 months. Nevertheless, the agreements have reached final form. Only monetary problems remain to be worked out.

The economic instability of our nation has left in difficult circumstances all fixed-income groups on a payroll, including primarily our workers.

The Turk-Is position on agreements is certainly that they should be concluded by peaceful means. There are laws specifying what is to be done if this is not the case. And it is quite natural that this should be done.

Question: What is your reaction to the government's call for oversight of the unions, its efforts to institute a sliding wage scale system and to put a ceiling on seniority compensation? Will you permit this?

Answer: For years, Turk-Is has been calling for financial oversight of the unions. The only problem is the form this oversight would take has not been made clear. So we cannot consent to any oversight of the unions, which are constitutional establishments, that would amount to interference in labor affairs and independence. In fact, Agreement no 87 which was drafted by the ILO and adopted by its member nations (including Turkey) introduces the precept of self-regulation by the unions.

We have stated our views on numerous occasions on the government's efforts in connection with the sliding scale system and seniority compensation. It is impossible for us to accept any system that would interfere in workers' rights and the collective bargaining process.

Question: How do you appraise your visits to party leaders? Were they successful?

Answer: This is not the time to say anything about the success of the talks with party leaders. During these visits we have asked the government and the party leaders to enact the social legislation that would modify the economic measures taken in January 1980, and we have given them a period of time in which to do so.

Question: What will you do if your requests are not carried out at the end of this period of time?

Answer: If our desires are not realized at the end of this time, we will call a meeting of our boards to review the situation and perhaps adopt a resolution. As president of Turk-Is, I think it would be well for everyone to realize this: the time has come to get rid of the mentality that says, "Turk-Is never does anything; it talks and talks and does nothing." If necessary, Turk-Is will take the most effective action it can within the law and when it does, will not be the one responsible.

Question: Is it possible for the Collective Agreements Coordination Board to adopt a resolution despite Turk-Is? Does this board not apply the sliding scale?

Answer: It is impossible for the Collective Agreements Coordination Board to adopt a resolution not in keeping with the known Turk-Is principles concerning collective agreements. The board has not, as you suggested, introduced the sliding wage scale system.

Question: What do you think about the work of the present government from the standpoint of the workers and low income groups?

Answer: We do not consider the present government's efforts to be adequate for workers, civil servants, retirees and, in short, everyone who works. For us, it is not a question of the worker or the civil servant, but everybody who works for a living is sacred to us. And we, as Turk-Is, have taken the goal of being concerned with the problems of all who work, not just laborers. The government is doing nothing in these matters, that is, the problems of the working people, and this situation is irritating to Turk-Is and the other organizations which represent the working people.

8349
CSO: 4907

GUILDS TO BOYCOTT BLACKMARKETEERS

Istanbul CUMHURIYET in Turkish 13 May 80 p 4

[Article by Kenan Mortan]

[Text] Izmir (CUMHURIYET Aegean Bureau) -- Upon failure to receive a reply to the invitation issued to the Union of Chambers of Industry, Commerce and Stock Exchanges formed in Izmir on 21 March 1980, the Izmir Trades and Crafts Guilds Union decided to expose black marketeers to the public. The decision will be carried out in the next few days, it was learned.

At the end of March, the Guilds Union had invited the Aegean Chamber of Industry, the Izmir Chamber of Commerce and the Stock Exchange to form a committee to be called the "Committee for Quality Control and Price Oversight in Manufactures." The stated purpose of the committee was to prevent victimization of citizens by "market anarchists," to eliminate production of goods hazardous to health and to adopt a joint stance against unfair profits. Upon failure to receive a reply to the proposal within 40 days, the Izmir Trades and Crafts Guilds Union met to discuss the situation and adopted a new resolution in light of developments.

According to the resolution, the Guilds Union is developing a new approach to the sale of goods on the black market in particular and, accordingly, will inform the public through the news media of the names of industrialists and merchants who sell goods not invoiced to union affiliates and at prices exceeding the profit margins allowed by law. Meanwhile, goods sold by the companies and establishments persisting in this behavior will be placed on a boycott list and the public will be asked not to use those goods.

The Union is further developing a new method to allow this practice to remain permanent as opposed to past practice in that boycotted but non-strategic essentials will be sold through the Guilds Union. Preliminary implementation has begun for this purpose, and the Izmir Grocers Association, a Union affiliate, has set up a cooperative. This cooperative has begun to purchase sugar wholesale from the sugar companies in order to prevent sale on the market at exorbitant prices of sugar now being bought on the black market. The practice will soon be expanded as the Chauffeurs Association will rent out a number of service stations, it was learned.

'GUNAYDIN' NAMES INFLUENTIAL MINISTRY OFFICIALS

Istanbul GUNAYDIN in Turkish 12 May 80 p 5

[Text] Ankara -- Within the Justice Party [JP] government, a virtual second government has been formed, instituting a practice rarely encountered elsewhere in the world. Many ministers have now taken one or more parliamentarians they consider particularly close and have put them to work in an effort to spread out the burden of day-to-day affairs. Some ministers have also given close advisory positions to former parliamentarians or bureaucrats whom they trust. JP parliamentarians are frequently heard to say, "If you want the job done, don't go to the first government, go to the second government." In fact, the lesser day-to-day problems are being handled, not by the ministers, but by the people we have described above who serve as their assistants.

Who Are the Ministers' Ministers

The people whom we described above who are in the position of ministers' ministers have been provided private telephones, secretaries and even automobiles. A few examples may be listed as follows:

Village Affairs Minister Ahmet Karayigit first appointed former Afyon National Deputy Sevi Guler as an advisor and later made him deputy undersecretary.

Interior Minister Gulcugil appointed as special advisor Cengiz Ekinci, a former national deputy from Kars with whom he worked for many years at JP headquarters.

Communications Minister Huseyin Ozalp first gave Samsun National Deputy Etem Ezgu a private office, automobile and secretary. However, Ezgu lost his position because of his behavior during the Turkish Airlines strike and Ozalp settled on a former JP member, Saban Demirdag.

Social Security Minister Sumer Oral set aside a large suite of offices near the ministry entrance for parliamentarians from Manisa. Suleyman Caglar, who was elected from Manisa in the 1979 interim elections, is foremost among them.

Public Works Minister Selahattin Kilic can find Adana National Deputy Halit Dagli in his private office anytime he wants him.

Industry and Technology Minister Nuri Bayar works closely with Sakarya National Deputy Gungor Hun.

Health Minister Munif Islamoglu appointed his close friend, former Zonguldak National Deputy Remzi Baltan, to the "Directorate General of Intra-ministry Affairs."

Minister of State Metin Musaoglu made former Mardin National Deputy Abdulkadir Kemenoglu chairman of the religious foundations board of governors.

While former Stad Hotel manager Necdet Bozkurt directs National Education Ministry Orhan Cemal Fersoy's advisory office, quota Senator Adnan Baser Kafaoglu is said to be Finance Minister Sezgin's closest consultant.

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E-5 ROADWAY WILL TRANSFORM HIGHWAY TRANSIT

Istanbul HURRIYET in Turkish 15 May 80 p 5

[Text] The route within Turkey of the famous E-5 Highway, which for years has linked both continents and nations and which extends all the way from London to the Middle East, is slowly changing.

From the point at Kinalikopru, in Thrace, where the Tekirdag and Edirne highways meet, the E-5 Highway, often termed the Thrace Highway, is being moved from 3 to 10 kilometers inland from the present road; in Asia, it is being provided with a different appearance as far as Kocaeli. Vehicles which will travel the 100-kilometer stretch known as the Istanbul-Kocaeli Express, or the Anatolian Highway, will pay tolls for these trips, just as on the tollroads of the West. A total of 3,300 employees of the First Regional Highways Directorate, including 160 engineers, are utilizing 1,565 different vehicles, worth 13.5 million dollars (945 million lira), to level off the hills and mountains and thus improve the E-5.

Highways Directorate teams, which, in addition to the changes in the E-5, are working on projects in districts of denser population, will construct the "double-lane London Highway" between Kumburgaz and Kucukcekmece. At the same time, the 110-kilometer road from Kesan to Eceabat will ensure that vehicles entering the country from Bulgaria and Greece, in particular, will reach the Aegean and Southern Anatolian shore regions quickly.

Highway officials, pointing out that constructing a new highway is one of the world's more expensive undertakings, have stated that:

"With the technical teams and equipment working at full capacity within the First Regional Highways Directorate, about 350 kilometers of the route can be completed each year by repairing and paving the existing road. On a route where there are no existing roads, however, we can only construct 40 kilometers of road per year. One kilometer of a state roadway costs about 25 million lira. When a provincial road already exists, then this figure may vary between 10 and 15 million lira."

Thrace Highway

The Thrace Highway includes a corridor which begins at the Istanbul beltway and extends all the way to Kapikule, at Edirne. It has been planned so as to pass north of today's London Highway. Plans for an 80-kilometer stretch of this highway -- from Istanbul to the Kinalikopru junction -- have been completed. Construction is in progress in 11 kilometers of this for which the detailed plans have just been completed. The 11-kilometer portion is about to be completed; of this, a 3.5-kilometer section beginning at Vatan Street has already been finished and put into service. The route plans for the full 80-kilometer stretch will be completed at the end of 1980, and then the land along the route will be made state property. The remaining 69 kilometers of this route will be completed around 1982. It is calculated that, on the basis of a 2 billion lira expenditure for the first 11 kilometers, a total of 18 billion will be expended on this route.

Double-Lane London Highway

In addition to the E-5, which links different nations to one another and the route of which is being changed, work has also begun to make the London Highway into a double-lane highway. The section as far as the descent into Buyukcekmece of this project will be completed this year. This road, a portion of which will be opened to traffic during the summer, will consist of four lanes, two in each direction. The section from Buyukcekmece to Kumburgaz will be constructed beginning in 1981. It is calculated that the London Highway Widening Project, predicated on projections of 65,000 vehicles per day at Bakirkoy, 24,000 per day at Kucukcekmece, 18,000 per day at Kumburgaz, and 7,000 per day, will be completed at the end of 1981.

As for construction on the Anatolian Highway, it has been completed from Istanbul to Gebze. Approximately 40,000 vehicles per day make use of the 50-kilometer stretch which has been opened from Haydarpasa to Gebze. Five kilometers of this route require tunnels and viaducts, in other words, considerable engineering work. Teams from the First Regional Highways Directorate are considering opening the stretch between Hereke and Kocaeli to traffic in 1981. It is also calculated that the stretch between Gebze and Hereke will go into service at the end of 1982. The General Directorate of Highways is planning to collect a nominal toll from drivers before the Istanbul-Kocaeli expressway is completed, just as is done in the Western nations.

Noting that the E-5 will only begin to provide the best service in 1982, officials of the General Directorate of Highways are planning to institute ferryboat service between Eskihisar and Topcular in the meantime.

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DIFFICULTIES ENCOUNTERED IN FILLING RANKS OF POLICE FORCE

Istanbul HURRIYET in Turkish 12 May 80 pp 1, 13

[Text] Ankara (HURRIYET) -- Several times more applicants than needed showed up for the civil service test, while only 3,097 people have applied for the 9,551 new openings on the police force. Of those who applied, 1,440 failed to meet the standards and were not hired. Despite the Security Directorate's decision to offer the test every 3 months in order to fill the police ranks, competition for this job is greatly reduced in comparison with previous years as police work has become a dangerous occupation.

Interior Ministry authorities said that there had not been as many applicants as expected for the examinations given in order to fill the police ranks and that failure to fill the ranks had caused difficulties, forcing them to offer the examinations more frequently. Meanwhile, those who take the first step by passing the exam begin duty after taking the 3-month basic course at one of the police training centers in various provinces.

The Security Directorate General was just authorized 9,551 openings for new police trainees, but only 3,097 people applied. Security Directorate General authorities said that interest in a police career was gradually diminishing and this was a source of incidents of anarchy. Most of those who took the exam reportedly have been out of work for months and were forced to choose a police occupation as a last resort.

In contrast to the paucity of new applicants, a full 9,318 persons from among those who are already policemen applied for the assistant supervisor of police exam. Of these, 6,215 passed the written test. Only 1,000 of them will become assistant supervisors of police at the conclusion of oral examinations.

Those who pass the written and oral tests for assistant supervisor of police will undergo 3 months of basic training at the Istanbul Police Training Center, the Kemalettin Eroge Police Academy, the Istanbul Police Academy, the Izmir Gurcesme Police Academy or the Afyon Police Academy, which is to open this year.

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TRADE MINISTER DISCUSSES PRICE HIKES

Istanbul MILLI GAZETE in Turkish 10 May 80 p 4

[Text] Ankara (TURKISH NEWS AGENCY) -- Trade Minister Halil Basol announced that prices would increase at most by 60 percent this year and that the measures taken were intended especially to raise production.

Trade Minister Basol, answering journalists' questions on the television program "Press Conference," said that in the first 3 months of this year, prices rose 10 percent in January, 29 percent in February and 4.4 percent in March; that the high increase in February had its source in the prices "stored" in 1979; that, in this context, prices freed following decisions taken and the devaluation in January had been the reason for this.

Basol said: "It is hoped that price increases will level out in the months ahead, developments in this regard have occurred especially in the prices of iron and cement, prices of the two products have fallen in comparison with February and the black market has disappeared. The rules of the free market economy have begun to work with the measures taken. The purpose of this is primarily to ensure increased production.

"The necessary import commitments for many branches of industry have only now been realized. It will take 2 months for them to start contributing to production. I cannot say from this standpoint that we have fully ensured increased production, but I hope that a significant path will have been cleared in this direction by the end of June. By the second half of the year we will see prices have slowed somewhat and many prices remaining where they are today."

Trade Minister Halil Basol indicated that he expected the rate of inflation to rise not more than 69 percent by the end of this year but that estimates were misleading.

The trade minister said that the measures taken were not intended to slow down the "gold turnover" to the commercial sector, but on the contrary, were measures which had to be taken to raise production, while "the measures taken in the prior period put many products on the black market. It

became necessary for the people to obtain their needs from stores under state control, the so-called sales places, and the result of this was that many products went on the black market. Today, margarine can be found everywhere in the country. As to light bulbs, import commitments have been made for 14 million. The shortage of cooking oil is completely over."

The minister then said that the draft of a law to reorganize domestic trade was under preparation and that the draft drawn up during the previous administration and submitted to the houses of parliament had been withdrawn because of its "reactionary" nature.

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MINISTRY SETS NEW RULES FOR FOREIGN EXCHANGE DISBURSALS

Istanbul MILLIYET in Turkish 7 May 80 p 9

[Article by Hayri Birler]

[Text] Ankara: The Ministry of Finance has issued a series of directives concerning decision number 17 of the Law for Protecting the Value of Turkish Currency.

Directive number one of the series sets forth the order of priority by which banks authorized to hold foreign exchange positions may pay out foreign exchange. According to this directive, banks will give priority to disbursing 1) the funds required by exporters and their suppliers (within the resources at their disposal and in accordance with the regulations dealing with the import requirements of such industries), 2) the funds required for payment of bills of exchange relating to imports to be carried out by means of acceptance credit on condition that they be paid on time, and 3) funds relating to the import of petroleum and petroleum products; in addition, they will also give priority to foreign exchange disbursals deemed appropriate by the Ministry of Finance.

Exporters would be able to utilize freely a portion of their foreign exchange earnings in transferring the payment for imports required by their production through authorized banks. Exporters who sell their products abroad for free foreign exchange, or who engage in temporary acceptance procedures, would be able to utilize in this way up to 50 percent of the foreign exchange they earn through exports of manufactured products and minerals, and up to 10 percent of the foreign exchange earned from exporting fresh fruits and vegetables and marine products. Those who engage in contracting work would be allowed to utilize up to 10 percent of their foreign exchange earnings. According to directive number two of the series, which sets forth the amounts of their foreign exchange earnings that exporters would be allowed to use in transferring the payment for imports related to their operations, in order for exporters and contractors to make use of these opportunities, they will have to bring the

foreign exchange into the country within the time limits specified in the various regulations and directives, and will also have to apply to the intermediary banks for the transfer no more than six months later.

Imports via Acceptance Credit

With directive number three of the Ministry of Finance, which deals with the same topic, the list of articles which will be permitted to be imported by means of acceptance credit has been reformulated. According to this directive, imports carried out in accordance with the principles of the law for the promotion of exports, imports carried out by paying the necessary duties as specified in the Customs Law, and articles included in liberalization list number two (on condition that the goods in question be for exporters) have all been added to the list of goods which may be imported by means of acceptance credit. In addition, the following items have also been added to this list: iron and steel, including scrap; tin; lead; aluminum; fertilizer and the chemical components of fertilizer; chemical components of pharmaceuticals; agricultural insecticides and herbicides, as well as their components; automobile parts; coal; petroleum; fuel oil; motor oil; kerosene; benzene; sulphur; rubber; paints and dyes; fiber and jute; and paper pulp.

With directive number four of the series, changes have been made in certain portions of the directive on imports with waiver.

Imports With Waiver

According to this directive, workers employed abroad will be able to import with waiver goods the customs duties of which do not exceed a Turkish-lira-equivalent of 350 German Marks, so long as these goods are not imported for commercial purposes — this in addition to the personal goods which the workers may bring to Turkey along with them. With the specification that the transport be handled by air, sea, or land transport companies, this figure has been set at a Turkish-lira-equivalent of 100 Marks for goods sent to Turkey from abroad, and at a Turkish-lira-equivalent of 600 Marks on goods belonging to students who are returning after completing studies abroad.

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INDUSTRIES WITH FOREIGN EXCHANGE DEBTS HURT BY DEVALUATIONS

Istanbul MILLIYET in Turkish 13 May 80 p 9

/Article by Mukaddes Orcun/

/Text/ Debts of enterprises which obtain outside financing via the Turkish Industrial Development Bank have increased by 10 billion lira as a result of the latest devaluation.

The 20.242 billion lira (as of the end of 1979) owed to the Industrial Development Bank by private-sector manufacturing concerns on their 422 million dollars of debt has risen to 30.650 billion lira due to the devaluations and exchange-rate adjustments carried out during the first four months of 1980.

According to its 1979 Operating Report, the Industrial Development Bank had provided credit of 20.242 billion lira, or 422 million dollars, by the end of 1979. The value of the credit advanced by the bank until the end of 1978 had been 10.377 billion lira, or 415 million dollars. Thus the Bank provided an additional 7 million dollars of credit in 1979, yet, due to the devaluations, the amounts owed it by the concerns which had borrowed from it doubled, to 20.242 billion lira, while the interest owed to the Bank increased from a level of 875 million lira in 1978 to 2.5 billion lira as of the end of 1979.

Concerns which borrow from the Industrial Development Bank, which obtains credit from a number of international financial institutions, principally the World Bank, have fallen into difficult circumstances from the financing standpoint as a result of the exchange rates which they must pay following the recent devaluation.

Preparing a report on 190 companies set up in Anatolia as workers' corporations, aggregate corporations, and local corporations, the Industrial Development Bank has stated that "These companies are unable to pay their

current debts to the bank, and, in order for their activities not to come to a halt, they require capital of 9 billion lira." Of the 190 companies in question, 61 are still in the stage of being established. As for the remaining 129, they have come to the point of being unable to continue operation as a result of the insufficiency of capital caused by the devaluations.

In a statement made by the Eskisehir Chamber of Industry following the measures announced on 25 January, it was stated that "The debts owed to the Industrial Development Bank by 10 firms which use such credit for their investments were 582.700 million lira; but they more than doubled after the 25 January devaluation, to a level of 1.600 billion lira."

The firms which utilize the investment credits extended by the Bank, which are generally arranged at 17 percent interest for 8-year terms, pay twice the amount borrowed -- in foreign exchange -- at the end of the term. In repaying debts which are to be repaid in Turkish lira, only the final payment can exceed the principal. For instance: a firm which borrowed 14 million lira (1 million dollars) 8 years ago at an exchange rate of 14 lira to the dollar would pay 19 million lira as its final payment in 1980 at the current rate of exchange. Thus the payments and interest rates paid by firms which utilize outside financing in their investment projects are increasing very rapidly, bringing such firms to the point of either bankruptcy or seizure.

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CENTRAL BANK CREDIT FIGURES GIVEN

Ankara TURKIYE IKTISADI GAZETESI in Turkish 15 May 80 p 3

[Article by Ibrahim Goktepe]

[Text] Central Bank figures are a foremost economic indicator. A series of economic measures were taken, as is known, which went into effect upon publication in the RESMI GAZETE on 25 January 1980. We will attempt in this article to give a brief picture of Central Bank-related developments since these stabilizing measures were taken.

1. Total Central Bank credits have shown an average increase of around 20 percent in the 3 months from 25 January to 25 April 1980. While the rate of increase for 25 January-29 February 1980 was 13 percent, it was 2.3 percent and 4.4 percent respectively for the 2 months following.

2. Central Bank credits opened for the public sector have taken the following course:

Short-term advances allowed to the treasury in this period increased by about 22 percent. This may be considered a normal increase at the beginning of the budget year.

The credit amount opened for the monopoly administration remained almost stable.

Credits equivalent to treasury-backed bonds allowed the Public Economic Enterprises [KIT's] rose 8 percent between 25 January and 29 February 1980, dropped 5 percent between 29 February-28 March 1980 and rose again 5 percent between 28 March-25 April. Thus, Central Bank credits allowed in this way to the KIT's in the past 3 months showed an increase of 8 percent.

Public credits allowed through State Investment Bank channels, meanwhile, rose by 7 percent in this period.

Financing credits provided from deposit reserves according to articles II of law no 1789 and 70 of law no 1823 dropped slightly during the past 3 months.

In the first month following the stabilizing measures, Central Bank public credits rose 5.5 percent, declined 4 percent in the second month and rose again by 3 percent in the third month. Thus it is determined that these credits rose by 5.4 percent [as published] in the 3 months from 25 January to 25 April 1980.

As opposed to the relatively high rate of increase in these credits in the first month following the date on which stabilizing measures went into effect, the rate slowed somewhat and almost came to a standstill after that, in March and April.

3. Central Bank credits allowed to the banking sector show a more rapid increase in the same period. Central Bank credits to banks equivalent to commercial paper rose during the period 25 January-25 April 1980 from a total of 35.5 billion to 67.4 billion. The rate of increase is approximately 90 percent. While the increase rate seen in these credits was around 58 percent in the first month of the period, it gradually declined and was 15.5 percent in March and 4 percent for the period 28 March-25 April.

Agricultural credits opened for banks in the 25 January-25 April 1980 period rose 69 percent, credits allowed in the form of advances equivalent to securities rose 6.5 percent, medium-term credits rose 3 percent and agricultural credits equivalent to reserves in accordance with article 40 of law no 1211 rose around 21 percent.

Central Bank credits allowed to banks turned over on average at 40 percent in the 25 January-29 February period, while the increase rate for 29 February-28 March was 9.4 percent and for 28 March-25 April, 3 percent. Thus, the increase rate in these credits took a gradual, significant drop.

4. Credits opened for agricultural cooperatives, meanwhile, rose an average of 19 percent in the same period. While there was a 30 percent decline in credits opened for the Agricultural Sales Cooperatives Unions because of the large-scale, seasonally-based return of credits which had been allowed earlier, credits opened for Agricultural Credit Cooperatives rose 102 percent in this period as a result, again, of seasonal requirements and the government's farmer support policy.

5. A gradual change in sectoral distribution of Central Bank credits is seen in this period. The change can be seen clearly in the table below.

It is seen that the public sector share of Central Bank credits declined somewhat, while the private sector share has gradually risen.

Central Bank Credit	25 Jan 80 %	29 Feb 80 %	28 Mar 80 %	25 Apr 80 %
Public credits	69	64.5	63.7	63.1
Banking sector	18.7	23.4	25.0	24.7
Agricultural cooperatives	12.3	12.1	11.3	12.1
Total	100.0	100.0	100.0	100.0

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STATISTICS GIVEN ON PRIVATE, PUBLIC SECTORS

Istanbul MILLIYET in Turkish 22 May 80 p 9

[Text] It has been asserted that conditions must be created, above all, enabling the integration of private and public sectors in administering the economy for the national good.

Professor Erdogan Alkin in his study "The Place of the Private Sector in the Turkish Economy" notes that the private sector generates 70 percent of added value in industry, owns a significant portion in many manufacturing sectors, provides most employment, and makes up nearly half of all fixed-capital investments. The study includes the following findings based on a comparison of private and public sectors.

When making a comparison with regard to added value for the public and private sectors, one must examine the statistics for major manufacturing industries. The percentage of added value for major manufacturing industries in the private sector over the last 10 years rose from 50 percent to 65 percent. This development, however, has not been balanced in all subsidiary sectors of major manufacturing for natural and legal reasons.

The percentage of private sector involvement in fixed-capital-investment calculated at current prices with respect to fixed-capital investments realized by private and public sectors was 46.6 percent in 1967 but rose to 49.1 percent in 1978. Thus, the time has come in which nearly half of all investment activity in the economy is carried on by the private sector. Similarly, the percentage of private investment at fixed prices was 46.5 percent in 1967 but rose to 48.4 percent in 1978. In manufacturing industry investment, the percentage of private sector investment continually declined until 1972 but rose in the years 1973 and 1974. It constituted 57.6 percent of such investment in 1978. While the private sector has turned in a 101.5 percent performance in total investment realization, the public sector has remained only around 82.0 percent in total realization.

According to a Social Security Association publication, the number of workers in the private sector covered by social insurance is gradually increasing. This percentage rose from 59 percent to 64 percent between 1967 and 1977. The private sector's percentage of employment in major manufacturing industries rose from 57 percent in 1967 to 64 percent in 1976.

Export percentages for the private sector have displayed constancy. The sector's percentage averages around 86.5 percent of all exports. The percentage of private sector imports, on the other hand, is gradually tending toward decline. This percentage fell from 74 percent in 1967 to 64 percent in 1972.

While worker productivity between 1965 and 1975 increased 129.0 percent in the private sector, it rose only 73.6 percent in the public sector.

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BRIEFS

NEW RATE EXCHANGE PROCEDURES--It is being asserted that during transfers the Central Bank has been cool to paying exchange rate differences favorable to importers or that it makes no refunds at all. Moreover, the bank immediately wants exchange rate differences that are disadvantageous to importers. The Istanbul Chamber of Commerce [ICC] maintains that with every exchange rate adjustment the Central Bank subjects importer transfers to new schedules based on the payment calendar for exchange rate differences. The ICC also asserts that those importers who are not aware of this schedule or who must reschedule each time have now been caught up in a new exchange rate adjustment. The ICC wants the erroneous procedure for scheduling transfers rectified. An ICC petition states that the collection of exchange rate differences arising out of accredited transactions--in which foreign exchange sales are not involved--be made at the moment of transfer and in lump sum or refunded to those concerned. The petition states, however, that in contacts between importers and the Central Bank, for every subsequent alteration in the exchange rate, transfers have been made relative to a deposit schedule for new rate differences. The petition continued, "With occasional brief intervals, there have been eight exchange rate adjustments since the last devaluation. Those concerned, who must reschedule with every adjustment, are confronted with a new adjustment before their turn at transfer comes along. As a result, they never get the opportunity to make a transfer since they lose their turn with every new adjustment." The ICC wants the Central Bank--without altering the transfer schedule--to notify those concerned about the procedures in force since the 25 January devaluation concerning turns based on the deposit date for rate differences. The ICC also wants exchange rate differences collected at the time of transfer and in lump sum. [Text] [Istanbul TERCUMAN in Turkish 22 May 80 p 5]

POPULATION PANEL MEETS--The "Population Planning Panel" arranged by the Istanbul Chamber of Commerce [ICC] convened yesterday. In his address, ICC Administrative Council Chairman Yasar Unal noted that the Turkish population growth rate is presently 2.5 percent. He emphasized that Turkey has the most rapid rate of growth among OECD countries. In this regard, Unal said that Turkey's population will reach 75 million in the year 2000. [The participants] on the panel in which population was addressed with respect to its social and economic impact, agreed that it would be advantageous to control population growth. It was stated that regional population distribution in Turkey put the growth rate in rural areas and eastern provinces at 7.43 percent, in Istanbul at 2.65 percent, and in Izmir at 2.37 percent. [Excerpt] [Istanbul TERCUMAN in Turkish 17 May 80 p 3]

PARTY DISSOLVED--The Workers Party of Turkey has been dissolved by the Constitutional Court. The office of the Chief Public Prosecutor had appealed to the Constitutional Court to dissolve the party on the grounds that the party program includes sections violating the integrity of the nation and the country, the 57th article of the Constitution and the political parties law. [Ankara Domestic Service in Turkish 1400 GMT 8 May 80 TA]

INFLATION RATES--Ankara (ANKARA AGENCY)--Despite the Trade Ministry's statistical evidence to the effect that price increases had slowed in March, the consumer price index for 11 provinces compiled by the State Statistical Institute showed that the annual inflation rate rose during March to 135.5 percent for Istanbul and to 133.5 percent for Ankara. The annual inflation rates as of March in Trade Ministry cost of living indexes, however, were 120.2 percent for Istanbul and 114.8 percent for Ankara. The State Statistical Institute's consumer price index comprising 11 provinces showed Diyarbakir as the province where price increases have risen slowest this year with 110.4 percent. It revealed the provinces where the inflation rate exceeded 120 percent as Antalya (122.7%), Erzurum (124.1%), Bursa (124.7%), Adana (126.3%), Izmir (127.1%) and Samsun (127.3%), while the provinces with a rate in excess of 130 percent were Eskisehir (131.2%), O-lu (132.7%), Ankara (133.5%) and Istanbul (135.5%). [Text] [Istanbul CUMHURIYET in Turkish 16 May 80 p 1] 8349

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